Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-95-154 *10 August 1995*

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ITAR-TASS Carries Press Review for 10 Aug

LD1008052795 Moscow ITAR-TASS in English 0430 GMT 10 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 10 (Itar-Tass) — Most newspapers today lead with reports about the situation in the former Yugoslavia in the wake of the operation launched by the Croatian army in Serb Krajina.

TRUD and ROSSIYSKAYA GAZETA carry the full text of President Boris Yeltsin's replies to questions of the Japanese newspaper NIHON KEIZAI. "The Bosnian crisis has no military or forcible solution," ROSSIYSKAYA GAZETA quotes the President as saying.

IZVESTIYA comments on President of Croatia Franjo Tudjman's refusal to accept Boris Yeltsin's invitation to come to Moscow for a meeting and talks with President of Serbia Slobodan Milosevic.

"Nothing has been said about (his) reasons for the move. The Croatian President must have given in to pressure from Western countries which insisted that Bosnian leader Alija Izetbegovic be invited to Moscow along with Tudjman and Milosevic. Paris, London and Bonn must have been apprehensive of the prospect for the Moscow negotiations between the Serbs and the Croatians ending up in an agreement infringing the interests of the Moslems," the newspaper says.

ROSSIYSKAYA GAZETA carries a report from Chechnya. It analyses implementation of the agreement on military questions signed in Groznyy last week. "The population is not hurrying to give up arms. Local inhabitants of the Shali district alone hold more than 80,000 firearms," the newspaper says.

IZVESTIYA carries an item entitled "The State Duma Interrupts Vacation." The item comments on the lower house's decision to call an extraordinary session on August 12 to review the law on election districts turned down by the Federation Council.

ROSSIYSKAYA GAZETA reports a breakthrough in the investigation of the murders of journalists Vladislav Listyev and Dmitry Kholodov. Deputy Prosecutor-General of the Russian Federation Oleg Gaydanov said in an interview with the newspaper that enough evidence had been accumulated to take the case before the court. Gaydanov revealed that not only the executors but also the mastermind behind the crime had been established. He refused to disclose the names of the criminals who were still beyond the reach of the investigators.

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Yeltsin Threatens 'Unilateral Steps' Over Balkans

LD1008103495 Moscow ITAR-TASS in English 1027 GMT 10 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, August 10 (Itar-Tass) — Russian President Boris Yeltsin today proposed holding a summit meeting of the world's leading powers and the three parties to the conflict in the former Yugoslavia.

Yeltsin made a statement warning that any procrastination with the lifting of sanctions against the Union Yugoslavia might lead to Russia's "unilateral steps."

President Yeltsin said Russia was willing to mediate the organisation of a trilateral meeting of the leaders of the warring Yugoslav parties — Slobodan Milosevic, Franjo Tudjman and Alija Izetbegovic.

Serbia's Milosevic Arrives For Talks on 'Conflict' Meets Kozyrev

LD1008090895 Moscow ITAR-TASS in English 0838 GMT 10 Aug 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, August 10 (Itar-Tass) — "I hope that the upcoming meeting of the presidents of Russia and Serbia will mark another step towards the lifting of sanctions against Belgrade and make clear who is actually ready for talks and who has made a stake on force," Russian Foreign Minister Andrey Kozyrev said after meeting President of Serbia Slobodan Milosevic in the government mansion on Moscow's Vorobyovy Hills.

The Serb leader stressed that there was no sense in counting on the use of force in the efforts to settle the Yugoslav problem.

Milosevic arrived in Moscow in the early hours on Thursday for talks on ways of political settlement of the conflict. Kozyrev called his one-day visit to Moscow "historic."

Kozyrev and Milosevic have been talking behind closed doors ahead of the Serb President's talks with Boris Yeltsin in the Kremlin later today.

Seeks Political Settlement With Yeltsin

LD1008091995 Moscow ITAR-TASS World Service in Russian 0848 GMT 10 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 10 Aug (ITAR-TASS) — Opening today's meeting with his Serbian counterpart Slobodan Milosevic in the Great Kremlin Palace's Green reception room, President of Russia Boris Yeltsin called the situation in the former Yugoslavia "one of the biggest issues" of contemporary international politics.

For his part, the president of Serbia, who arrived in Moscow last night to discuss ways of achieving a political settlement in the former Yugoslavia, expressed hope that the "health problems" of Boris Yeltsin, who recently returned to work in the Kremlin after treatment at the Central Clinical Hospital and convalescence at a sanatorium "are slight." The Russian president said that he "feels fine."

Boris Yeltsin also briefed Milosevic on the progress of the peace settlement in the Chechen Republic. "We signed the first document on military matters, the aim of which is to halt combat operations," the Russian leader said. "The most important part is over. We are therefore living quietly in peace and in contact with all the republics within Russia."

Describing the international situation, the Russian president noted a discernible move in the world toward a "nationalistic tendency."

Russia's Foreign Minister Andrey Kozyrev and Dmitriy Ryurikov, the Russian president's aide on international affairs, were present at the talks.

TV Links Tudjman's Talks Refusal, Kozyrev UN Message

LD0908150895 Moscow Russian Television Network in Russian 1300 GMT 9 Aug 95

[FBIS Translated Text] Citing unidentified experts, the INTERFAX agency suggests that Russian Foreign Minister Andrey Kozyrev's letter to UN Secretary General Butrus-Ghali sharply condemning Croatia's military operations in Krajina could be behind Tudjman's refusal to come to Moscow.

Daily: Tudjman Yielding to Pressure

MM0908154495 Moscow IZVESTIYA in Russian 10 Aug 95 p 1

[Report by Maksim Yusin: "Croatian President Declines To Go to Moscow for Talks"]

[FBIS Translated Text] The meeting between Serbian President Slobodan Milosevic and Croatian President Franjo Tudjman, which was due to take place in Moscow 10 August, has been called off at the last moment. When this issue of IZVESTIYA was already ready to be signed to press, a report of Tudjman's refusal to go to the Russian capital was received from Zagreb.

Nothing is being said about the reasons for this move. The Croatian president most likely yielded to pressure

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from Western states demanding that Bosnian leader Alija Izetbegovic be invited to Moscow along with Tudjman and Milosevic. We have learned from well-informed sources close to the French Foreign Ministry that Paris, London, and Bonn feared that the Serbs and Croats would conclude a treaty encroaching on the Muslims' interests during the Moscow talks. The attempts to persuade Russia of the need to invite Izetbegovic were not, by all indications, crowned with success.

It is not yet known whether Slobodan Milosevic will cancel his visit to Moscow. On the morning of 9 August Yeltsin's Press Secretary Sergey Medvedev stated that one-on-one talks between Yeltsin and Milosevic were planned in addition to the tripartite meeting of the presidents of Russia, Serbia, and Croatia.

Tudjman's Press Secretary Comments

LD0908162995 Moscow INTERFAX in English 1531 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (Interfax) — Croatian President Franjo Tudjman did not change his position when refusing from meeting Serb President Slobodan Milosevic in Moscow, Tudjman's Press Secretary Natasha Rajakovic told Interfax in an interview on the phone.

She said she was bewildered with the earlier circulated reports alleging that Franjo Tudjman had accepted the invitation of Russian President Boris Yeltsin to come to Moscow and meet with the Serb president.

"Reports about Tudjman's consent to go to the Russian capital have been launched long before we received the official invitation," Rajakovic said.

"The only true reason for this move of the Croatian president is the reason which was indicated in the official statement," Rajakovic said.

She said that in the statement Tudjman proposed that such a meeting be well-prepared and that Bosnian President Alija Izetbegovic be invited to participate in it.

Kozyrev Condemns Croatian Actions in Message to UN

LD0908143895 Moscow INTERFAX in English 1309 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (Interfax) — Having begun an offensive against Krajina, the Croatian side has not only violated several resolutions of the UN Security Council but committed a series of deliberate attacks against the "blue helmets." "Russia believes that those who committed such actions or issued orders should carry private responsibility for victims among the peacekeepers," says a private message of head of Russia's Foreign Ministry Andrey Kozyrev to UN Secretary-General Butrus Butrus-Ghali handed over to Interfax Wednesday.

According to Kozyrev, "the absence of an appropriate reaction towards these events can serve as an additional basis for accusations of dual standards on the part of the United Nations."

To this effect, Kozyrev believes, "that circumstance that the command of the peacekeeping forces in Croatia did not ask (or did not receive) for NATO's air support to defend its personnel at the time when the NATO aviation was shelling positions of Krajina's Serbs subjected to Croatia's offensive deserves the most serious consideration."

Kozyrev believes that "a mass offensive of the Croatian armed forces against regions populated by Serbs crosses out appeals of the UN Secretary-General, efforts of international mediators, Thorvald Stoltenberg and Carl Bildt, to continue searching for ways for a political settlement."

"A mood for a coercive integration of regions populated by Serbs has prevailed in Zagreb, capitals of several leading states of the world have indirectly encouraged it — Kozyrev said. On hand is the case when principles of a just settlement are sacrificed to the philosophy of "the accomplished facts."

"We believe that such an approach will have ruinous consequences for settling the Yugoslavian crisis and for the role which the UN is intended to play in supporting and restoring international peace and security," he underlined.

Kozyrev pointed out that "today we are witnesses of a humanitarian tragedy unseen from the beginning of the Yugoslavian conflict." "More than 150,000 people have started to leave Serbian Krajina and this will bring enormous human suffering," he said.

Kozyrev expressed the hope that Butrus-Gali will use his authority and possibilities "so that the UN will undertake all necessary measures in order to protect the civil population, including organization of an efficient humanitarian aid to refugees and rendering political pressure on Croatia so that it would entirely observe the obligations to respect to human rights as a UN member-country."

"In the practical sphere continuation of the UN peacemaking operation in Croatia is of key significance on this stage, in order to prevent a complete humanitarian

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catastrophe and to ensure objective international supervision over the actions of Croatian authorities with respect to the Serbian population which appeared under their (the Croatian authorities') control," Kozyrev underlined.

Kozyrev Calls on UNHCR To Defend Krajina Civilians

LD1008081395 Moscow ITAR-TASS World Service in Russian 0714 GMT 10 Aug 95

[FBIS Translated Text] Moscow, 10 Aug (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev has called on the UN High Commissioner for Refugees [UNHCR] Sadako Ogata to "make use of the UNHCR's undoubted authority and all its potential to defend the civilian population of Krajina, (the Serb-populated part of Croatia) and to meet its urgent humanitarian needs."

"This applies to the refugees and also the Serbs remaining on the Croat territory," explained A. Kozyrev.

INTERFAX received Kozyrev's letter to Ogata on Thursday (10 August). The Russian foreign minister says in the letter that "despite the wholly praiseworthy activities by the UNHCR and other humanitarian agencies," the situation of hundreds of thousands of Serbs who have fled from Krajina from the attacking Croat army is "indeed desperate. Their future is in question," noted the minister.

He said that the "tragic nature of the situation is underscored by reports which cause serious alarm and which speak of confirmed cases of the Croat troops violating the norms of international humanitarian law and of their attacks on columns of refugees."

A. Kozyrev expressed the hope that "S. Ogata's direct approach to the Croat leadership on these issues and also her visit to Serb refugee sites would have the greatest effect and would meet with a complete understanding and support from the world public."

In conclusion, A. Kozyrev gave assurances that Russia intended to "continue to render all possible assistance to the UNHCR's noble mission."

Spokesman Outlines Concerns at Croatian Army Actions

LD0908121495 Moscow Radio Rossii Network in Russian 1000 GMT 9 Aug 95

[FBIS Translated Text] Our correspondent Vladimir Vishnev has had a phone talk with Mikhail Demurin, deputy head of the Russian Foreign Ministry Information and Press Department.

[Begin Demurin recording] First of all, our biggest concern is the large-scale exodus of refugees. It is a human disaster, in fact. The second issue is that a question mark has been put over the future of the UN peacekeeping operation as a result of the Croatian Army's action. The third problem, as we see it, is the danger of the logic of force taking the upper hand, also as a result of this military action.

We resolutely oppose such an approach. Therefore, we believe it is important that a meeting be held to prevent the conflict from spreading. Therefore, first, it is necessary to solve all the aspects of the refugee problem. Second, it is necessary to create conditions for UN peacekeeping operations to go on. Third, and probably the most important problem, is to bring the developments back to a way to reach a political settlement and to persuade the parties to stick to a search for peaceful solutions acceptable to everyone. As for this problem, we believe it is very important to lift sanctions against the Yugoslav republic.

The Russian president's approach is viewed by some people as new and unexpected. No, it is not. The approach is not new. We have come up with repeated initiatives to conduct direct summit talks between the conflicting parties, since we believe that only the conflicting parties — with the international community's support, of course — can find solutions which will ensure a settlement that will hold for a long time.

As for Russia's role, we believe that by using its authority Russia can create conditions for a breakthrough at the talks so that solid long-term solutions may be found.

We have gotten a generally positive response to our initiative from the parties. The preparations for the meeting have entered the final stage: the agenda, the time of the meeting and other necessary details are being worked out. Naturally, our steps are to be viewed as part of the international community's efforts. The United Nations and our partners from the Contact Group have been advised of our initiative. They took an interest in our initiative. So, looking at the international community's wish to see Russia playing a constructive role in settling the crisis, we will work in this direction. [end recording]

Yeltsin Interviewed by Japanese Daily on Bosnia

MM0908154695 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 1

[Interview with President Boris Yeltsin by the staff of the Japanese newspaper NIHON KEIZAI; place and date of interview not given: "The Bosnian Crisis Has No

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Military Solution or Solution by Force. B.N. Yeltsin's Answers NIHON KEIZAI's Questions"]

[FBIS Translated Text] [NIHON KEIZAI] The Russian president and the Russian Government have always insisted on a peaceful resolution of the conflict in Bosnia. Do you believe such a settlement of the conflict is still possible? What concrete plan is there for resolving such a complex conflict by peaceful means? Do you think the plan for a peace settlement proposed by the Contact Group is effective? Can it be used?

[Yeltsin] I am convinced that the Bosnian crisis has no military solution or solution by force. Therefore a peaceful settlement to it is not only possible — there is simply no alternative. The whole question today is, how is this peaceful settlement to be achieved and what should it be based on?

First and foremost, the warring parties must conclude a truce and halt all hostile actions against one another. It is very important also to strengthen other confidence-building measures that could ensure a favorable background for the continuing quest for a solution to the crisis and the elimination of the disagreements that exist. I believe that this includes the lifting of anti-Serbian sanctions, since Yugoslavia has fully complied with all the demands of the world community.

The Contact Group plan must remain as the basis for talks between the Bosnian Serbs on the one hand and the Muslims and Croats on the other.

Equal rights must be guaranteed for all sides participating in the talks. Incidentally, that was the decision of the Contact Group at foreign ministerial level in December last year in Brussels. In particular, this implies the Bosnian Serbs' right to confederative relations with Yugoslavia. This must be seen not in connection with Milosevic's recognition of Bosnia-Herzegovina, but in connection with the right already granted to the Muslim-Croat Federation to establish such relations with Croatia.

And finally. Pending agreement on all questions relating to the partition map and the implementation of exchanges of territory, and also the definition of the constitutional structure of Bosnia- Herzegovina, the warring parties' troops must remain in the positions held.

[NIHON KEIZAI] What is, and what will be, Russia's reaction to the U.S. Senate's decision to unilaterally lift the embargo on weapons deliveries to Bosnia? If the U.S. Administration adopts a similar decision (to lift the embargo), what will Russia's reaction be? Is Moscow prepared or planning to deliver weapons to the Bosnian Serbs? Is there support for this "tough" line in the Russian parliament?

[Yeltsin] As you know, not only Russia but also the other Contact Group countries are opposed to the lifting of the embargo on arms deliveries to the Bosnian Muslims. The consequences of such a step would be unpredictable.

If the United States nonetheless makes such a decision unilaterally, this will, first, mean an unprecedented violation of the principles of the United Nations and the entire international treaty system. And second, the ban on arms deliveries to former Yugoslavia in general will in effect cease to be valid.

Thus, we would have no formal ban on helping any of the sides in the Yugoslav crisis with weapons. It is a different matter that we do not want this. We are, moreover, prepared to ask the Security Council to adopt effective measures to tighten the monitoring of weapons making their way to the territory of the former Yugoslavia. It is no secret that even now the embargo on arms deliveries is not infrequently broken.

As for your question on the Russian parliament, of course we are experiencing pressure from that direction. In this respect the situation in Russia and the United States is in some respects similar. But that is no reason for unilateral actions.

[NIHON KEIZAI] In general, the world community's position with regard to the Bosnian Serbs could be described as critical. Thus, for instance, under a ruling of the International Court it was Radovan Karadzic who was blamed for unleashing the civil war in Bosnia. Do you share that view?

[Yeltsin] In a civil war (I use U.S. President Bill Clinton's definition of the Bosnian crisis) there can be neither innocent nor guilty. Therefore the charges brought by the International Court in The Hague solely against the leaders of the Bosnian and Krajina Serbs — Karadzic, Mladic, Martic, and others — can hardly be described as just. Worse, such charges delay a peaceful resolution of the Yugoslav crisis. It is clear that, given such an approach, the Serbian side will only become more embittered.

[NIHON KEIZAI] The Bosnian Serbs are Slavs, Orthodox Christians by religion. In your opinion, has this fact influenced the formulation of Russia's stance on the Bosnian conflict? In other words, do you believe that the Russian Government views this conflict from the viewpoint of a "Slav alliance" (supporting a "blood-brother" nation)?

[Yeltsin] The Pan-Slav ideas or, as you put it, the ideas of a "Slav alliance" belong to the past. But even at that time they had never held dominant positions in Russia's foreign policy. And they are not in any way at all related

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to the conflict in question. After all, the war in Bosnia is waged exclusively between Slav peoples — Serbs, Croats, and Bosnian Muslims. They all are close to the Russian people.

Our stance is clear. We have repeatedly emphasized that we advocate equal treatment for all warring sides. It is a different matter that some people perceive this stance as pro-Serb against the background of the anti-Serb campaign unleashed in the West and in the Islamic world.

[NIHON KEIZAI] How do you assess the role of UN peacekeepers in settling the conflict in Bosnia?

[Yeltsin] I highly assess the role of the peacekeepers, who include Russian servicemen. They have often saved thousands and thousands of civilian inhabitants at the cost of their own lives.

But the UN peacekeeping forces must engage in precisely such humanitarian and peacekeeping activity. Unfortunately, recently there have been signs of a retreat from this line toward support for one of the sides in the conflict.

Something else is worrying, too. The UN peacekeeping forces have a clear-cut peacekeeping mandate. But the latest decisions — deployment of rapid reaction forces with heavy weapons at their disposal, preparation of plans for massive air strikes, and the switch of the "dual key" principle to technical level — increasingly indicate changes of the existing mandate. All these actions certainly fall within the mandate — enforcing peace. But any amendment to the mandate of the peacekeeping forces requires without fail a special decision by the UN Security Council.

I think that the UN peacekeeping forces must revert to strict adherence to their commitments — to become peacemakers in the strict sense of the word. The warring sides will gain from this, and so will the cause of an earliest possible settlement in former Yugoslavia.

FRY Minister on Possibile Croatian-FRY Clash

LD0908203595 Moscow INTERFAX in English 1942 GMT 9 Aug 95

[By Aleksandr Korzun, Igor Porshnev, and Yevgeniy Terekhov; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 9 (Interfax) — Foreign Minister of the United Republic of Yugoslavia Vladislav Jovanovic has said an armed clash could break out between Yugoslavia and Croatia.

Jovanovic told Interfax special correspondent Vyacheslav Terekhov in an exclusive interview on the phone today that "everything depends on Croatia. If it continues aggression and threatens Yugoslavia, its vital and national interests, the United Republic of Yugoslavia will have no choice but to halt Croatia's aggressive policy and those foreign forces which directly or indirectly support Zagreb and push it towards such actions."

The minister said he believed that "Croatia's military presence in Bosnia is illegal and runs counter to the U.N. Security Council's resolutions prohibiting the military presence of foreign countries in this part of the former Yugoslavia."

"The presence of the Croatian army in Bosnia is a challenge from the devil. Those who play such a card are playing with fire," he said.

Jovanovic urged other countries, especially U.N. Security Council members, to come out decisively against such a Zagreb policy.

"We've learned long ago that the Croatian president is interested in such a grim unfolding of events, while Yugoslavia has never supported the idea of dividing Bosnia between two countries," Jovanovic said.

He said Belgrade continued to believe that "all the three peoples in Bosnia-Herzegovina (Serbs, Croates and Muslims - IF) have absolutely equal rights and all of them have the right to self- determination and to political settlement of domestic problems that does not infringe on their legitimate interests and rights."

Croat Attack on Post Causes Relocation of Troops

LD0908183995 Moscow ITAR-TASS in English 1637 GMT 9 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW, August 9 (Itar-Tass) — Russian peacekeepers have removed one post in the former Yugoslavia and moved two others to new locations, following the Croatian offensive on Serb Krajina, officials in the headquarters of the Russian airborne troops told Itar-Tass on Wednesday.

On August 5, Croatian troops encircled three Russian observation posts near the Krajina town of Vinkovci in eastern Slavonia and demanded that the peacekeepers leave. When they refused, Croatian soldiers opened automatic gunfire on them, wounding one peacekeeper.

Commanders of the airborne troops do not rule out the possibility that changes may take place in the areas where Russian peacekeepers are stationed.

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Diplomat Denies 'Conspiracy' To Divide Bosnia

MK1008091095 Moscow SEGODNYA in Russian 10 Aug 95 p 1

[Report by Vladimir Abarinov: "Croatian President Refused To Come to Moscow. Summit To Take Place in Truncated Format"]

[FBIS Translated Excerpt] [passage omitted] The failure of the Serbian-Croatian summit was caused by reports that have become particularly insistent recently about a conspiracy that is allegedly cooking in Moscow behind the Bosnian Government's back. A high-ranking Russian diplomat confirmed yesterday — even before Tudjman's refusal to come — that the sides plan to discuss the situation in Bosnia at the Moscow summit, but he flatly denied speculation regarding a separate conspiracy. Commenting on reports of the existence of a map partitioning Bosnia, which was allegedly proposed by Tudjman, the diplomat was extremely cautious: In his view, even if this were so, "this is not Zagreb's official stance, but an option of a settlement in the post-Yugoslav space." The diplomat also said that such a division has been proposed by many politicians from the former Yugoslavia when they came to Moscow, but "the international community will not accept that." Nonetheless, Bosnian President Izetbegovic and Foreign Minister Sakirbei, concerned by rumors of a Serbian-Croatian pact, arrived in Zagreb on Tuesday to receive from Tudjman personal assurances to the effect that there are no such plans. According to Sakirbei, such assurances were given. [passage omitted]

The last news of yesterday was the text of Yeltsin's interview to NIHON KEIZAI, disseminated by the Kremlin press service. The Russian president cautioned the Americans against unilaterally lifting an arms embargo on Bosnia. In his opinion, in this case "the regime banning arms supplies to the former Yugoslavia as a whole will effectively cease to exist" and Russia "will be constrained by no formal ban on arms supplies to any of the sides." Evidently, there is no need to clarify which side Yeltsin had in mind.

U.S. Seen Trying To Revive Failed Bosnian Peace Plan

MK1008110695 Moscow KOMMERSANT-DAILY in Russian 10 Aug 95 p 4

[Report by Aleksandr Botov: "Croatian Leader Is Not Coming to Moscow"]

[FBIS Translated Excerpt] On Tuesday evening, Yugoslav President Slobodan Milosevic agreed to attend Moscow-proposed talks with Croatian leader Franjo Tudjman. Moreover, just yesterday there was talk in the Russian Foreign Ministry's diplomatic circles about a summit scheduled for Thursday. A little faux pas occurred, though. The Croatian president refused to come to Moscow at the eleventh hour, thus dashing what may have been the last hope for a peaceful settlement of the conflict.

Meanwhile, the meeting of "supreme representatives" of the Yugoslav Army and the Slavonian-Baranian Corps of the Krajina Serbs reached an agreement under which the latter will be given effective military assistance should Croatia attempt to reintegrate Eastern Slavonia by force. It cannot be ruled out that Tudjman's refusal to attend the Moscow meeting is attributable to yesterday's commencement of a tour of the "contact group" countries' capitals by a representative U.S. delegation under Anthony Lake, national security adviser to President Clinton. By some accounts, the tour is designed to brief the United States's NATO allies on Washington's new peace settlement plan for the former Yugoslavia.

The Tudjman-Milosevic summit in Moscow could have given an answer to one single, but crucial question: Will there be a war between Serbia and Croatia or not? Any discussion of questions that have no direct bearing on Eastern Slavonia in the absence of Karadjic or Izetbegovic would have taken on the status of useless UN "observations." Tudjman appears to have already made up his mind on all of that — with some assistance from the international community. For instance, back on Tuesday Miguel Martinez, head of the Council of Europe, expressed his "understanding of Zagreb's decision to regain control over what is a legitimate part of Croatia." It is well known that Washington and Bonn very calmly took the "change in the situation" caused by the Croatian army's offensive. Clearly seen behind this calm is the desire to exploit the Balkans' internecine conflicts in order to further these countries' "national interests." As for the United Nations, the amorphous nature of this international giant has long become the talk of the town — although Russian Foreign Minister Andrey Kozyrev assessed the UN's stance in his personal message to UN General Secretary Butrus-Butrus Ghali in a tougher manner. In his opinion, "a lack of the appropriate reaction to the development of events may serve as yet another justification for accusing the UN of double standards." [passage omitted]

It seems that yet another Washington initiative will come in extremely opportunely for European politicians. The "novelty" of this peaceful settlement plan elicits at least surprise, however. So, after long months of unsuccessful talks with the warring sides that gave international mediators many a lock of gray hair, the United States intends to propose the 51:49 option (that is, 51 percent of Bosnian territory to be given to the

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Croats and Muslims — and 49 percent, to the Serbs), of which everyone has long been sick and tired. If Washington thinks that a successful Croatian-Muslim offensive can force the Bosnian Serbs to back down, it had better listen more carefully to the words by Damilo Markovic, Yugoslav ambassador to Russia. The Serbian diplomat said yesterday that "certain key figures of the international community do not fully understand the essence of the Yugoslav crisis; they cannot grasp its historical, economic, political, religious, and other components." It is another matter that, maybe, they need not try to understand or grasp anything at all. Then, probably, the best plan of a peaceful settlement would be to wait for the southern Slavs (the Bosnian Muslims also being ethnic Slavs) to carve up the Balkans on their own, without anybody's interference. [passage omitted]

Further Reportage on Detention of U.S. Serviceman To Be Expelled for 'Unauthorized' Work

LD1008105295 Moscow Russian Television Network in Russian 1000 GMT 10 Aug 95

[From the "Vesti" newscast]

[FBIS Translated Text] American serviceman Jason Lynch, who was detained a week ago [3 Aug] in Krasnoyarsk, will be expelled from Russia and prohibited from reentering, ITAR-TASS reports, quoting the Krasnoyarsk Territory Federal Security Service. Lynch was detained for carrying out unauthorised geodesic work.

Further Investigation Promised

MM1008101895 Moscow Russian Television Network in Russian 1900 GMT 8 Aug 95

[Video report from Krasnoyarsk-26 by G. Nikolayev, identified by caption; from the "Vesti" newscast]

[FBIS Translated Text] [Announcer to camera] ITAR-TASS reports that the Federal Security Service temporarily detained a U.S. citizen in the vicinity of Krasnoyarsk-26, one of Russia's major nuclear centers. After lengthy questioning, the detainee was released. The American was carrying out topographic work using a special geodetic instrument. The military believe that the measurements could be connected with the elaboration of programs for precision targeting of cruise missiles.

[Nikolayev over video of perimeter fence, underground corridors, archive footage of mining and chemical combine, including Yeltsin's visit there] The mining and chemical combine in Krasnoyarsk-26, or Zheleznogorsk city, as it is known now, was, until recently, producing plutonium for the USSR's nuclear programs. The combine was a top-secret installation, which is why it was built deep under the ground in the forties. Soviet journalists, much less foreign journalists, were not admitted to the combine. That is to say, until 1991. Then, when many bans were lifted, and state secrets became the target of jokes, there was a veritable surge. Photographers, television and press journalists, various kinds of specialists, environmentalists, including foreigners, literally flooded Krasnoyarsk-26. There was a positive aspect to this. The radioactive contamination of the Yenisey basin became public knowledge, and in 1992 two nuclear reactors were shut down here. [video shows ceremony]

However, as from the beginning of 1994, access to the plant for foreign journalists and specialists has been barred. Secret service officials have explained that specialists of quite a different kind were coming in through the wide-open gate.

At the moment, interest in the mining and chemical combine has again increased in connection with the president's decision to proceed with the construction of the RT-2 plant for recycling nuclear waste in Zheleznogorsk. For reasons of environmental safety, the United States prefers to store or recycle its nuclear waste in other countries.

The temporarily detained U.S. citizen, who was part of an international expedition, was supposedly studying the ecological situation of the Yenisey on the outskirts of the city. The true identity of this citizen, a U.S. Department of Defense specialist, will be revealed in the course of the further investigation of the incident. [video shows largely archive footage of Krasnoyarsk-26 mining and chemical combine]

Case Cited as Sign of 'Espionage Boom'

MM0908180895 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10 Aug 95 pp 1, 3

[Report by Viktor Sokirko: "Spies Have Gotten So Lazy They Do Not Even Bother Thinking Up Cover Stories"]

[FBIS Translated Text] The furor over the American serviceman detained in Siberia continues unabated. In fact, recent days (and even months) could without exaggeration be called the era of the espionage boom.

Living in Dushanbe's "Tajikistan" Hotel is a former CIA agent, now a journalist, who makes no secret of his previous profession. He spends the evenings in the bar, where he associates with Russian officers from the "peacekeepers," and he periodically visits inaccessible regions of the republic where there are deposits of uranium ores. Japanese TV journalists were recently detained in Volgograd while filming a defense industry facility without authorization. How did it all end? They rebuked the Japanese, wiped the videotape, and... let them loose.

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That was one of the few incidents in which our law enforcement organs have succeeded at least to some extent in hampering foreigners in the collection of secret information. The latest incident is almost unique: An American serviceman by the name of Lynch was detained at one of Russia's major atomic centers, near Krasnoyarsk-26. The West Point Academy student, who is part of an ecological expedition, was "nabbed" by the FSB [Federal Security Service] when his espionage work was in full swing — he was making a topographical record of the locality in the region of the Mining and Chemical Combine. The paradox is that after a few hours' chat, Lynch was set free.

We decided to consult one of our Army's intelligence staffers on this matter. He gave a professional assessment of the American's activity in the closed zone. Given the existence of special equipment, which there was, the formerly secret combine can be written off as an immediate loss — the cruise missile strike will be precise, to say the least.

Incident Raises Nuclear Safety Issues

MM0908171695 Moscow IZVESTIYA in Russian 10 Aug 95 p 5

[Reports by Aleksey Tarasov in Krasnoyarsk Kray and by Dmitriy Kukanov under the general heading: "Deep Amid the Siberian Ores, the 'Cold War' Is Not Over. This Is Confirmed by the Episode of the Detention by Counterintelligence Staffers of American Citizen Lynch Close to an Underground Atomic Facility"]

[FBIS Translated Text] [Tarasov report] Krasnoyarsk Kray — The Mining and Chemical Combine located in Zheleznogorsk (formerly Krasnoyarsk-26), which produces weapons-grade plutonium — the filling for nuclear warheads — and which is not subject to conversion, is not going to let either Russians or Americans forget the days of military confrontation in the foreseeable future. And the detention of American citizen Jason Carl Lynch by staffers of the FSB [Federal Security Service] Directorate for Krasnoyarsk Kray in the region of the Mining and Chemical Combine is just an episode in a local "Cold War" that has perhaps never stopped here on the banks of the Yenisey.

The facts: At the Mining and Chemical Combine there is a reactor facility concealed deep underground. Two military reactors that used to produce weapons-grade plutonium were decommissioned in 1992. The plutonium now produced by the third reactor is no longer dispatched to military plants, in line with Russian-American accords. This last reactor is also a source of heat supply for a city with a population of 100,000. It is supposed to be shut down by the year 2000. Here too, underground, is a radiochemical plant.

Second, there are storage facilities for liquid radioactive waste in open tanks and at the "Severnyy" testing range.

Third, there is a storage facility for assemblies from nuclear power stations — the first phase of the notorious RT-2 plant for the reprocessing of spent nuclear fuel. The construction of the second phase of the plant was frozen at the beginning of perestroyka because of financial difficulties. B. Yeltsin, when he was in Zheleznogorsk last summer, recommended the installation of a nuclear power station underground.

So it is a story of conflict. In the period 1 through 12 August, in accordance with the radiation monitoring schedule, the Mining and Chemical Combine, in conjunction with the Biophysics Institute of the Russian Academy of Sciences Siberian Department and with the participation of Moscow specialists from the Geochemical Institute and the Kurchatov Institute Russian Scientific Center, is carrying out a radio-ecological expedition from the settlement of Dodonovo down the [River] Yenisey to the settlement of Strelka (at the mouth of the [River] Angara). The main purpose of the voyage on the diesel ship A. Boyarinov is to study the radiation contamination of the Yenisey flood plain and the bottom sediments. The reactors that were shut down in 1992 were direct-flow: Water from the Yenisey was cleansed of physical particles and used to cool the reactor cores, after which, saturated with radionuclides, it was discharged back into the Yenisey.

Also taking part in the expedition is a captain in the U.S. Army and teacher at West Point Military Academy, Jason Carl Lynch. Before the trip, he stated: "My interest in the expedition is exclusively scientific, it concerns environmental conservation. I do not rule out further large-scale research on the Yenisey jointly with the Biophysics Institute."

I obtained information on subsequent events from Ivan Mashkovtsev, the Mining and Chemical Combine acting deputy director for security, and from the kray FSB directorate. The counterintelligence people had learned that the U.S. serviceman had in his possession a geodesic instrument which can determine the coordinates and direction of travel of its possessor at any point. This kind of topographical work — and it was being carried out in a closed region — was not authorized (ITAR-TASS' military sources suggest that this work could have been connected with the development of high-precision target-guidance programs for cruise missiles). The expedition was detained in the region of the Yenisey fairway within the Mining and Chemical

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Comoine health-and-safety protection zone [v sanitarno-zashchitnoy zone], and the American was taken away for a talk. Two hours later he was brought back and the expedition continued. The instrument was confiscated. In the opinion of experts, it is a very high-precision piece of equipment with great potential.

On 9 August the diesel ship reached the furthest point of the route and turned back. The American and staffers from the Biophysics Institute disembarked and are returning by car. The Krasnoyarsk chekists are expecting the inquisitive American on Thursday and intend to have another chat with him — they still have some unanswered questions. The U.S. citizen was not arrested, as is being said, and criminal proceedings have not been brought.

In fact, nothing surprising happened. In the days when Krasnoyarsk-26 was zealously forging the weapons of victory, not even all the CPSU kraykom [kray party committee] secretaries were allowed in. During that period, they say, not a single spy was caught. The easing of security measures in the early nineties gave the Krasnoyarsk chekists a new area of work. Nuclear spy passions flared. Soon the system for access to the city and the combine began to be tightened again. But passions did not die down. In recent years Anatoliy Samkov, head of the FSB directorate for the kray, whenever he "goes public," has invariably emphasized the active interest of foreign special services in the Mining and Chemical Combine. Representatives of the kray administration also indicated this to me. In 1994 alone some 200 foreigners visited closed territorial formations and special-regime facilities in the kray. They were mainly journalists, ecologists, and diplomats from the United States, Britain, Germany, and China. Sometimes in public and often in private conversations counterintelligence staffers will actually name particular travelers as staffers of foreign intelligence services. Not infrequently an information leak is organized from the local "spook house" on the unhealthy interest shown by certain foreign guests in the Krasnoyarsk-26 facilities.

Thus, the requirements of the Mining and Chemical Combine security services were ignored by workers from the Norwegian "Belgona" [name as transliterated] association, who carried out covert photography at the combine. Documentary materials were subsequently confiscated from them. The chekists also had complaints about staffers of the American TV company NBS who shot a film about the Mining and Chemical Combine last fall. The Americans, whose visit was not coordinated with the FSB, and the Russian TV journalists who accompanied them carried out unauthorized filming of production lines. The film shot was not shown to the security services.

Sometimes the chekists present "documentary evidence," for instance, a map of Krasnoyarsk-26 (a city that does not exist on Russian maps) obtained from a U.S. Energy Department delegation. As you will realize, a piece of evidence like that is supposed to expose the existence of secret intentions on the part of the visitors. But, to the uninitiated, this is only indirect evidence of the Americans' careful preparation for their visit to the Siberian backwoods. But most of all, perhaps, they complain about foreign ecologists (or so-called ecologists).

Particular hostility is aroused by foreign "greens," and particular suspicion is provoked by the money that supposedly sustains the struggle against the Mining and Chemical Combine. The special organs only pour fuel on the fire. Objectively, they are playing on the side of the military-industrial complex and the nuclear industry. Whether they like it or not.

In fact, it hardly seems appropriate to speak of a resurgence of spy mania. The Krasnoyarsk fighters on the invisible front are always on the alert. On the basis of such an indicator as information supplied to the FSB central apparatus and the structures of the executive power concerning threats to Russia's security, the Krasnoyarsk directorate is firmly established in one of the leading positions in the country. And there are, as yet, no grounds to distrust our valiant chekists, except emotional grounds. But it is a fact that they are in no hurry to impart the details of the detention of the "green" spy. They will not answer a direct question — is this American a spy? — but advise us not to be in too much of a hurry to publish. This inexplicable timidity and the traditional references to the need for further clarification and coordination prompt new questions: Could it be that they forgot to tell the Krasnoyarsk spy-hunters that the Cold War is over? Or have the counterintelligence services suddenly developed a sense of responsibility to the taxpayer?

Obviously, although the Mining and Chemical Combine needs foreign investments and ecological assistance, that does not mean issuing foreign agents with an espionage license. The Mining and Chemical Combine is the least appropriate of facilities for foreign excursions. That is why it is closed. It is not a question of secret technologies. This is a highly dangerous and vulnerable production facility, and the FSB, judging by its name, is supposed to be concerned first and foremost with the security of the population. The desire once again to hush everything up is certainly damaging to national security.

Zheleznogorsk, which needs investments that it still does not have, is becoming a "ghost" town. However, the specific nature of its industry is such that it can't just

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be closed down like a spaghetti factory. Putting a lock on the gate to the underground facility and sitting an old woman there to keep watch is just not going to work. Nuclear materials have a life of their own, they don't care about our problems. The degree of risk of ending up with a Siberian Chernobyl is in direct proportion to the increase in the Zheleznogorsk weapons workers' material difficulties. Stability in their labor collective should be regarded as an essential component of the nuclear technologies.

But for the time being the people of Krasnoyarsk, even though they are very well aware of all this, just cannot feel their way to the right balance between total closure and a state of affairs where every foreigner is welcomed with bread and salt and where hearts — and strategic facilities with them — are flung wide open.

The mountains of military plutonium that have accumulated beneath Krasnoyarsk, the thousands of tonnes of highly radioactive liquid and solid waste, the nuclear workers' penniless state, their lack of any clear prospects in life, the radiation contamination of the Yenisey — these are not just Russia's problems. This is a problem of security for the entire planet. Capering about on the reactor roof, whether you are formulating high-precision guidance programs for cruise missiles or catching American spies, is not the most appropriate occupation at present. Presumably in the not too distant future, when the people of Krasnoyarsk start sprouting two heads and two pairs of eyes each as a result of their dangerous neighbor, no spy will then want to penetrate our precious combine.

[Kukanov report]**U.S. Embassy Has No Knowledge of Captain Lynch**

On 9 August the U.S. Embassy told IZVESTIYA that, at their request, the Russian Defense Ministry has confirmed the fact of the detention on 3 August in the region of the city of Krasnoyarsk-26 by FSB forces of U.S. citizen Captain Jason Lynch, instructor at the geography and nature conservation department of the military academy of West Point (New York State). The officer was participating in an expedition run by the Russian Academy of Sciences Siberian Department Biophysics Institute.

Embassy representatives are currently trying to contact Capt. Lynch to ascertain his view of what happened. The embassy has contradictory information as to whether Lynch is on Russian territory or has already left the country.

FSB staffers are refusing at present to make any comment on what happened, and it therefore remains unclear what was involved — attempted espionage, or excessive enthusiasm by a researcher.

It is interesting that literally a few days ago the Zheleznogorsk city administration signed a contract with representatives of the U.S. firm that won the competition for the best project for refitting freed capacities at the Mining and Chemical Combine as a thermal station. So in this context it is not quite clear why an officer from West Point should need to "take a peep" at the combine with the help of a geodesic instrument.

Further on Taleban Capture of Plane in Afghanistan

LD0908132695 Moscow ITAR-TASS in English 1239 GMT 9 Aug 95

[By Leonid Kotov]

[FBIS Transcribed Text] NEW DELHI, August 9 (Itar-Tass) — Afghan officials reported on Wednesday that an armed detachment of the Taleban movement captured today a Russian transport plane Il-76 and its crew in the Afghan southern city of Kandahar.

Government sources stated that not a single pilot of the seven-member crew was injured in the incident. This statement was also confirmed by Taleban representatives.

Itar-Tass reported from New Delhi today that Pakistani Foreign Minister Ahmad Ali confirmed that an Il-76 plane with a Russian crew was captured by gunmen of the Taleban Islamic movement. He said this, speaking to reporters in Islamabad.

According to the minister, he has just returned from a business trip to Afghanistan and witnessed how fighters belonging to the Taleban movement forced a large transport plane to land.

"It was found out later that it was manned by a Russian crew," Ali explained. "The plane carried 30 tons of firearms, portable missile systems of the land-to-air class and military ammunition."

The minister did not specify wherefrom and where the cargo had been shipped. Besides, Ali stated, Taleban fighters intercepted and forced to land another Russian transport plane.

However, it continued the flight along the scheduled route to the Afghan city of Jalalabad after inspection, since the plane had a civil cargo.

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Airline Official Meets 'Hijackers'

LD0908171395 Moscow ITAR-TASS in English 1634 GMT 9 Aug 95

[By Sergey Lebedev]

[FBIS Transcribed Text] EL KUWAIT, August 9 (Itar-Tass) — The general manager of the Transavia airlines, whose Il-62 [as received] airliner was hijacked on Afghan territory, is now conducting negotiations in Kabul with the hijackers.

He is negotiating the release of the Russian crew, the Transavia representative in Sharja told Itar-Tass.

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Political Issues

Yeltsin Signs Law on Postal Communications

LD0908221995 Moscow ITAR-TASS World Service in Russian 1918 GMT 9 Aug 95

[FBIS Translated Text] Moscow, 9 Aug (ITAR-TASS) — Russian President Boris Yeltsin today signed the federal law "on postal communications" passed by the State Duma on 5 July 1995. The law, according to a presidential press service release received by ITAR-TASS, lays down the principles governing state regulation of activities in the field of postal communications in Russia and the rights and obligations of the state authorities in the component parts of the Russian Federation, local self-government bodies, and others involved in the work of postal communications. It also regulates the legal relationship between postal communications organizations and those using postal communications services.

The law aims to safeguard the constitutional rights of Russia's citizens to send, receive, and disseminate information and comes into force from the day that it is officially published.

Yeltsin Endorses Social Insurance Fund's Budget

MK0908114495 Moscow SEGODNYA in Russian 9 Aug 95 p 1

[Unattributed report: "The Law on Social Insurance Fund's Budget Has Been Signed"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin has signed the federal Law "On the 1995 Budget of the Russian Federation Social Insurance Fund." The fund's revenues and expenses were set at 18.327 and 17.754 trillion rubles, respectively. The main sources for fund replenishment are the insurance premiums paid by legal and physical persons. In accordance with this document, the fund is to finance various social benefits, including social insurance allowances and payments for the treatment and rehabilitation of people injured as a result of the Chernobyl accident.

Yeltsin Amends Earlier Edicts on Border Service

MM0908132795 Moscow ROSSIYSKAYA GAZETA in Russian 9 Aug 95 p 4

[Edict No. 809 of the Russian Federation President "On Amending the Russian Federation President's Edicts No. 2318 of 30 December 1993 'On Forming the Federal Border Service-Russian Federation Border Troops Main Command' and No. 232 of 2 March 1995 'On Approving the Statues of the Russian Federation Federal Border Service;' signed by Russian Federation President B. Yeltsin in the Kremlin, Moscow, on 4 August — from the "Documents" section]

[FBIS Translated Text] In order to improve the legal basis of the Russian Federation Federal Border Service's activity I decree that:

1. Russian Federation President's Edict No. 2318 of 30 December 1993 "On Forming the Federal Border Service-Russian Federation Border Troops Main Command" is to be amended, substituting the words "border service organs" for "Border Troops" in Paragraph 5.

2. Russian Federation President's Edict No. 232 of 2 March 1995 "On Approving the Statues of the Russian Federation Federal Border Service" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSIYA, 1995, No. 10, Article 863) is to be amended, setting out Paragraph 2 with the following wording:

"2. Paragraphs 2, 4, and 7 of Russian Federation President's Edict No. 2318 of 30 December 1993 'On Forming the Federal Border Service-Russian Federation Border Troops Main Command' are deemed to have lost their force."

3. This edict comes into force the day it is signed.

[Signed] Russian Federation President Boris Yeltsin

[Dated] Moscow, The Kremlin, 4 August

Yeltsin Asks Duma To Ratify Baykonur Agreement

MM0908120595 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 p 1

[Unattributed report: "Baykonur's Security Improved"]

[FBIS Translated Text] President Boris Yeltsin has submitted for State Duma ratification an agreement with Kazakhstan on cooperation and collaboration in safeguarding the security of the Baykonur complex. In a letter addressed to Speaker Ivan Rybkin the president points out that the agreement is in line with Russia's interests since it "creates the legal basis for the presence and functioning of military counterintelligence organs in Russian Federation military formations on the territory of the Republic of Kazakhstan."

German Paper Comments on Yeltsin's Illness

95EN0338C Bonn DIE WELT in German 12 Jul 95

[Commentary by Peter Phillips: "More Than Questions of Health" — received via Internet]

[FBIS Translated Text] Serious illnesses of Western statesmen have been announced to citizens in all openness for a long time. The sovereign people are to know

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what goes on with their representatives; a democracy cannot tolerate secrecy in such matters.

Be they Reagan's or Mitterand's cancer operations—no longer are hide-and-seek games played, as with the case of the mortally ill Pompidou in the 1970's. Federal President Herzog even justifies his not seeking a second term in office by pointing quite frankly to a family history of illness.

In totalitarian systems, by contrast, since time immemorial the state of health of the powerful has not only been concealed, but has also been made into a means of political confrontation. In this regard, Russia (and the Soviet Union, respectively) has been Number One in the world since Lenin's days. And democratization of the country has not yet progressed enough to have changed anything. Ever since Boris Yeltsin, after being replaced as chief of the Moscow CP [Communist Party], in November 1987 was taken to the hospital with "heart problems," his political road has been accompanied by speculations about his health and possibly related alcohol problems.

Time and again he suddenly disappears from public view; belated bulletins stimulate, rather than calm down, speculations. The president's domestic policy opponents stoke the rumors, and he himself regularly provides new nourishment for them through—shall we say—unorthodox scenes. In March 1994, serious rumors about a coup d'etat grew out of such a melange.

Now Yeltsin has again been hospitalized. Official declarations are to allay speculation, but they have long lacked any credibility. Russia's top man is physically not stable, is politically damaged, and is ever less predictable in his political actions. The road of democratization is becoming less transparent, and there is the growing danger of a power struggle in Russia with an uncertain outcome.

Rybkin Calls For Adjustment in Reform Policy

LD0908191595 Moscow INTERFAX in English 1357 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (INTERFAX) — The speaker of the Russian parliament's lower house, the State Duma, Ivan Rybkin has called for a fundamental adjustment of the reform policy.

Rybkin told a news conference in Moscow Wednesday that the reforms must benefit "most people, and not a select few." Rybkin described as disastrous the gap between the incomes of those Russian citizens who live "very well" and "very badly."

He believes that investment support for domestic producers in those branches of the economy where there have been signs of growth will be very important.

About the participation of the left-center alliance of which he is the leader in the December parliamentary elections Rybkin said that people locally would very much like to see a united left alliance. He said that the left-center alliance would certainly cooperate in nominating candidates in single mandate constituencies with the Agrarian party of Russia and other political organizations.

He reaffirmed that Colonel-General Boris Gromov is going to participate in the alliance, although at the same time he would contest a seat in parliament in a single-mandate constituency. Rybkin said that most politicians in the top 12 on the alliance's election list planned to do so, too.

He added that the name of the left-center alliance would be chosen in September.

Two Internal Affairs Ministers Said Dismissed

MK0908115095 Moscow SEGODNYA in Russian 9 Aug 95 p 1

[SEGODNYA report: "Both of Mr. Kulikov's First Deputies Are Going To Retire"]

[FBIS Translated Text] According to some information from confidential sources, yesterday two first deputy ministers of internal affairs — Yevgeniy Abramov and Mikhail Yegorov, the latter also heading the Main Directorate for Organized Crime — were dismissed from their posts. They supposedly are to retire on a pension. Yesterday, SEGODNYA correspondents tried to verify this information at the Russian Federation Ministry of Internal Affairs, but it was neither confirmed nor denied there.

Yeltsin Edicts Relieve Gerasimov, Appoint Solkin

LD0908193895 Moscow ITAR-TASS in English 1503 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, August 9 (ITAR-TASS) — Russian President Boris Yeltsin signed a decree on Wednesday [9 August] to relieve Valentin Gerasimov of his duties as head of the Kurgan regional administration in connection with his transfer to another job.

Another Yeltsin's decree has appointed Viktor Solkin as head of the State Courier Service of the Russian Federation, the presidential press service said.

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State Committee Formed To Boost Small Businesses

MM0908131795 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 p 1

[Unattributed report: "Boss Appointed for Small Businesses"]

[FBIS Translated Text] In fulfillment of the presidential edict the Russian Government has adopted a decree setting up a new federal structure — the Russian Federation State Committee for the Support and Development of Small Business — whose tasks will include state regulation and intersectoral and interregional coordination in the sphere of small businesses.

Lebed's Election Platform, Campaign Viewed

MM0908143195 Moscow IZVESTIYA in Russian 8 Aug 95 pp 1, 2

[Article by Sergey Gostev of IZVESTIYA's Analytical Center, incorporating a report on a conversation with General Aleksandr Lebed; place and date not given: "General Lebed as Mirror of Russia's Evolution"]

[FBIS Translated Text] There has been a brief lull in the feverish March-July maneuvers, involving alliances and separations conducted by the political elite, before the start of the election campaign proper. August has seen a huge motley bunch of long-distance runners coming under starter's orders and setting out on the long race to the finishing tape on 17 December. Not all of them are destined to make it, but even now, at the very start of the contest, the competitors, bent on victory, continue to seek allies and try to run as "blocs" and form "interest groups," pushing aside and breaking up their rivals. The party congresses now under way, at which the problem of coalitions is at the forefront, are highly instructive in this regard.

The voters, however, are singling out the best-known people and faces from the pack of "runners." The popularity polls indicating their likes and dislikes are far more indicative of their attitude toward personalities than toward parties and interparty associations. As of today, General Aleksandr Lebed represents one such leading personality in certain sectors of public opinion.

Despite the Defense Ministry's maneuvers, Gen. Lebed remains a commander, one whose army is the 25-million-strong army of "ethnic Russians" in the countries of the former Soviet Union. This constitutes not an electorate but an impressive force. Gen. Lebed "commands" it as cochairman of the Congress of Russian Communities (CRO).

Politicians in Russia are made, not born. And politicians themselves are their own masters. Gorbachev made Yeltsin . Only time will tell whether Yeltsin has made Lebed a politician of that kind of stature. But in today's conditions which general does not dream of becoming.... Becoming what? Let's wait and see. But one contender's baton is already packed in his campaign rucksack. He has just done the rounds of several regions with it. His first sortie was to Tula, of which he is an honorary citizen and where he expressed his intention to stand for the State Duma.

During a two-hour conversation the CRO cochairman touched on the state of the Russian Federation's political system; the position of the president; the CRO's election strategy, and the problem of Russia's Cossack community, including the events in Chechnya and Budennovsk.

The branches of power in Russia are unequal, according to Lebed. The executive branch is "overloaded" with powers, the legislative and judicial branches are puny. After the shelling of the "full-fledged" parliament in October 1993 the country fell under Yeltsin's absolute diktat for a couple of months, while the subsequently elected "tame" parliament has no real influence. However, the president still has a host of problems with it.

The president could again exploit the bugaboo of the "Red threat" to remain at the helm for another term. But for this he needs a loyal parliament packed with the stooges of the "party of government." If matters go badly for him and the underpinning of his regime is in jeopardy, a plan to bring about the artificial destabilization of the situation in the country will be immediately put in train and a state of emergency then introduced, which will mean the indefinite postponement of the elections. The possibility of a dictatorship increases as the regime becomes less confident of electoral success.

The methods employed could, according to Lebed, be very diverse. The "Budennovsk scenario" cannot be ruled out, but now being enacted, say, in the Dniester arena. While he was still in the post of commander of the 14th Army, Lebed said, he repeatedly received reports from his intelligence service on the Chechen guerrillas' growing interest in the arms depots in the Dniester Region. Now that he has been replaced by Yevnevich, "whose hands are simply steeped in blood" (meaning his involvement in the bloody events of October 1993), all kinds of provocations, but even more dreadful than those in Budennovsk, are possible: If 2,500 freight-car loads of munitions are seized, Chechen or other terrorists will be able to blackmail three states — Russia, Moldova, Ukraine — at the same time.

According to the retired general, the Russian special services possess extensive knowledge of the methodology

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of creating chaos and destabilization in potential "trouble spots" like, for example, the Dniester Region, the Caucasus, Crimea, and so forth. The armory of ways and means at their disposal includes acts of terrorism, the playing of the "rising crime" card, extremist separatism, and so on. Here the regime will maintain its image with the West, with which it, naturally, does not want to mar its relations, in the guise of fighting for stability.

Lebed's attitude to the president is, to put it mildly, negative: "Yeltsin is motivated today solely by the instinct of self-preservation, justifiably fearing being held to account for: 1) The country's collapse; 2) the White House in 1993; 3) the economic chaos and no-holds-barred privatization; and 4) the 'Chechen weapons' in the early nineties."

Yeltsin increasingly reminds Lebed of Brezhnev in the early 1980's. Obviously, he is still capable of his "own brand" of unpredictable moves. However, he is unduly subject to the influence of his own entourage and is unable on his own to break through the news blackout they impose. The president is certainly unaware of the true situation in the country, and therefore the likelihood of major miscalculations on his part is extremely high.

Yerin and the other power ministers were justifiably removed by the president. But the former interior minister did create a pretty combat-effective and, most importantly, large body of internal troops who will, undoubtedly, be actively employed if a state of emergency is introduced (appropriate changes are also, according to Lebed, under way in the airborne troops, who are very well known to him: Divisions are being beefed up with armored vehicles, and tactics for carrying out operations in population centers are being rehearsed).

The CRO's ideology and election strategy are based on the thesis of protecting Russian people's interests, which in no way betokens any chauvinist leanings. The country can be saved only by the judicious awakening of Russians' national consciousness. The understanding of the term "Russian" held by Lebed and the CRO leadership is based on the notion of "Russians as a nation" rather than the concept of an "ethnic Russian." Those who defend their own homeland, albeit within the bounds of their native land, and who identify with historical Russia [Rus] and its interests are regarded as Russians.

The agreements on electoral cooperation concluded with the organizing committee of the Union of the Peoples of Russia public movement on behalf of the Assembly of Turkic Peoples, the Association of Finno-Ugrian Peoples of the Russian Federation, the Bashkir people's center "Ural," the World Bashkir Kurultay, the All-Tatar Public Center, the Executive Committee of the World Congress of Tatars, the International Cherkessian Association, the Public Committee of the Accord for the Fatherland movement, the Center for the Study of Interethnic and Interregional Economic Problems, and the Chuvash National Congress reflect CRO ideology.

Resisting centrifugal aspirations inside Russia while simultaneously protecting Russians in the Baltic states, Moldova, Kazakhstan...is one of the CRO's main tasks. Reliance on regional leaders who share the movement's program represents the CRO's basic election strategy and tactics. There is no point in artificially creating a candidate in a particular region (oblast or rayon) and imposing an unknown politician on a region when there are well-known figures at local level for whom the voters will cast their vote without fail.

By way of an example, Lebed cited the list of the movement's Moscow Oblast organization, which contains the names of leaders and organizations well known in the oblast: rayon MZhK [expansion unknown], Afghan veteran organizations, youth movements, cultural and sports clubs, "constructive" (not criminal or bogus) Cossack formations, and so forth.

Speaking about the movement for the revival of the Cossack community, Lebed noted the difficult crisis it is in. The Cossack community is fragmented, there is no common leadership, nor can there be in principle, but there is no unity within individual "hosts" either. The reason for this is the bulk of ordinary Cossacks' ignorance of their own traditions and history or the distortion of it, the personal ambitions of "hetmans", many of whom promote their own personal business interests under the cover of Cossack organizations, turning the members of Cossack squadrons into ordinary guys who wear a uniform merely for the sake of appearances. Federal and local authorities are impeding the revival of the Cossack community. The Cossacks have been denied the opportunity to fulfill their historical mission of defending the Russian borders against external encroachment and internal instability.

However, special circumspection and flexibility must be shown on this question, according to Lebed, with "no shooting from the hip," as the territorial issue, especially in the south of Russia, could instantly give rise to unprecedentedly savage carnage similar to that which he, as commander of the 14th Army, stopped in the Dniester Region.

The situation in the Russian oblasts bordering the Caucasus has been exacerbated by certain unscrupulous politicians in Moscow, according to Lebed. Whether deliberately or through lack of thought, they are whipping up the Stavropol Cossacks to instill order in those parts

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by force of arms. To back up his thesis my interlocutor showed me a letter from Deputy S. Govorukhin calling on the Cossacks, among other things, to take Russia's borders finally under their protection. The enormous stockpiles of weapons coupled with any forcible redistribution — of even the most insignificant kind — of territory could shatter the already extremely fragile post-Budennovsk balance.

Numerous polls show that Lebed enjoys a high popularity rating with an upward trend. In Chelyabinsk Oblast, for example, he outstrips all the politicians at federal level. One reason predominates in respondents' answers: The man sacrificed his military career to salvage peace in the region.

He himself puts it this way: "My [separation] request was the final opportunity to draw attention not to myself, but to the problem of arms and the situation in the Dniester Region." If the authorities are unpopular, the victim of the authorities automatically acquires popularity. Moreover, the mission of defender of the Russian people impresses respondents wherever their rights are infringed.

Lebed's election campaign has been launched on a broad front. In contact with voters, especially those from the Russian provinces, his way of speaking is a boon. Voters cast their vote for people they understand. They vote for one of their own. However, if you remember the recent past, the people have repeatedly slipped up here.

However, the future must also be borne in mind. The election campaign is employing the weapon of merciless criticism of the powers-that-be. Those who make direct hits stand to gain a lot.

Lack of Unanimity in Chechen Ruling Pondered

MM1008102695 Moscow IZVESTIYA in Russian 2 Aug 95 p 2

[Article by Yuriy Feofanov: "Verdict on the 'Chechen Case' and Judges' Dissenting Opinions"]

[FBIS Translated Text] If there is one thing the Constitutional Court has confirmed beyond all doubt in its decision on the "Chechen case," it is the old truth that war begins where there is lawlessness. Nothing else about the case is indisputable and unequivocal, although the verdict is final, not liable to appeal, and came into force from the moment it was published on 31 July. Seven (or perhaps even eight) judges of the 18 who took part in the hearing of the case dissented, and four of them fundamentally disagreed with the verdict.

This fact in itself refutes the opinion (formed long before the verdict, incidentally) that everything was agreed beforehand and that the judges solved this complex legal and political task by first peeping at the answers at the end of the book and adjusting their legal calculations to fit. It has also been said that the participants in the talks in Groznyy were dragging their heels in anticipation of a verdict, while the judges were likewise biding their time until everything became clear at the other end. There are not really any grounds for these suspicions: In principle, the judges reached their conclusion at the beginning of last week, the finishing touches were put to the text, and nothing substantial was changed after Saturday night in Groznyy. But even if it was as the scandalmongers say, a positive side can be found even here. It means that the opposing sides (and not only in Chechnya) are still seeking legal footholds in order to achieve peace using political levers. The only question is: Will they find what they are seeking?

There is another conclusion of a global nature that will inevitably be drawn from the decision on the "Chechen case." There are such gaping holes in our system of legislation that it is quite impossible to foretell where fate will lead us next time and, most important of all, how we will get out of the abyss, other than with incalculable losses. Both the Basic Law and local laws are in such a state that it is possible to justify any act of tyranny by the authorities at any level, right up to federal level, and also any rebellion against the authorities. This has been confirmed by the Chechen events. As soon as the actions of the Russian Federation president and government are deemed to be constitutional, it follows that the resistance offered by the other side is illegal. Meanwhile, we are holding talks with this other side on equal terms and with all due reverence — in any case, not in a way which suggests that they are rebels.

However, let us look at specific points in the decision. As we know, two presidential edicts (of 30 November 1994 and 9 December 1994), a government decree, and an edict on military doctrine were disputed. All these acts ordered the restoration of constitutional law and order in Chechnya, the disarmament of illegal formations, and the use of all means at the state's disposal for this purpose, including the regular army. Strictly speaking, the latter was the reason and the grounds for deputies bringing their action. No one doubted the urgent need to put an end to General Dudayev's criminal regime in Russian territory. Only the unlawful means of achieving this noble aim were rejected. In its decision, the court did not assess the first, secret presidential edict, with which, strictly speaking, the war in Chechnya began; neither did it examine military doctrine.

This was the first point of disagreement among the judges The Constitutional Court's official stand,

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recorded in its decision, is that the "secret" edict was canceled 10 days later and therefore was not subject to examination. The opinion of the court's deputy chairman, Tamara Morshchakova, at a press conference immediately after the verdict was published was that the edict which had in fact introduced a state of emergency in Chechnya could not be secret in form and therefore should have been assessed by the court. However, technically speaking, the court had not broken the law and had abandoned all proceedings relating to this edict.

The opinion of Judge Nikolay Vitruk, with whom we spoke in detail, was far more categorical: The four acts issued by the president and the government form a single system with common logic and consequences. It was wrong to terminate proceedings against individual acts, but then, on the other hand, it was more convenient, as it meant that strongly worded assessments could be avoided. If we had not made this bold move, we would inevitably have reached the conclusion that the presidential edicts were not supported by law.

[Feofanov] But what were the authorities supposed to do if there were no laws on which to base their actions?

[Vitruk] The introduction of federal troops into Chechnya established a "regime for the restoration of constitutional law and order," as the presidential side put it. It is a lawful regime, well known in world practice, and is sometimes called a "regime of federal intervention." This regime allows the use of the army on a large scale and the restriction of human rights. It will not be treated as arbitrary rule by the authorities if it is supported by law. A judge can take no other stand on the matter, whatever may be said about necessity, expediency, and state interests. We will never break free from the totalitarian noose if we do not recognize the priority of the law in the most complex situations.

[Feofanov] But the presidential acts are legally validated in the decision adopted by the court: If there are no laws appropriate to the circumstances, the head of state resorts to direct implementation of the Constitution.

[Vitruk] That, perhaps, is the most dangerous point in the verdict. In my opinion, this is an example of the president introducing so-called "secret powers" into practice. What does it mean? The Constitution contains articles of a general nature: On the state's integrity and indivisibility, for example, and other items relating to the jurisdiction of the Russian Federation. Taking these as a basis, the president appropriates powers: The power to use the army to resolve domestic conflicts, for example. Moreover, he communicates these "secret powers" to the government and even to the defense minister. This was done in the "secret edict" in particular. The edict was canceled, but the war began nevertheless. In my opinion, the Constitutional Court's verdict has provided a legal screen for the appropriation of these "secret powers." This flouts a cardinal principle of the law of a democratic state: The authorities must not issue acts or take actions which are not directly prescribed by law (unlike citizens, who are permitted to do anything which is not directly prohibited by law). Naturally, this is irksome for the authorities, which still have not learned to govern the state by democratic means.... [Vitruk ends]

On the day the verdict was published, the "president's side" spoke on television of their feeling of deep satisfaction and even of victory. However, how will the decision be interpreted by sovereign components of the Federation? As a triumph of law? That remains to be seen. One of the Russian Constitutional Court's first decisions was to declare Tatarstan's imminent referendum on independence illegal. And what happened? The federal authorities concluded an equal treaty with Tatarstan — regardless of any decision by the supreme judicial authority.

The present verdict contains a clause addressed to the Federal Assembly on the need to adopt laws: In particular, laws regulating the use of the army in internal state conflicts. I fear this appeal will go unanswered for a long time: Legislators are busy with elections. As before, the gaping holes in our legislation will be filled with edicts which prompt contradictory assessments from our supreme legal authority. The Constitutional Court's decision came into legal force as soon as it was published. But we cannot ignore the fact that almost half of the judges dissented. This is unlikely to enhance the authority of the Constitutional Court's verdict. But such is the law: All dissenting opinions must be made public. Whether this is good or bad is also questionable.

Article Views Threat Posed by Organized Crime

MM1008090895 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 pp 1, 2

[Article by Analysis Service: "Criminalization of Public and State Life Requires Appropriate Measures"]

[FBIS Translated Excerpt] [passage omitted] Modern organized crime is assessed by specialists as having already become a sufficiently flexible, mobile, and well-structured system, individual components of which have divided up the entire country into "patches." The structural phase is currently continuing — certain crime groupings are joining forces into crime communities aimed not so much at engaging in joint criminal activity as at coordinating that activity, regulating external and internal conflicts, providing help to "mobsters"

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who have fallen into "difficulties," working out joint positions and coordinated action against law enforcement organs, and maintaining criminal traditions. Particular importance is given to that last point, since the unwritten laws of criminal life are being broken with increasing frequency. This is due to the considerable acceleration in the criminal fraternity of the process of the "acquisition of capital" and to the change in generations, whereby gangsters who have achieved a certain material status and age after "fighting their way through" the lower ranks leave for highly profitable spheres of legal business and their places are taken by youngsters without the proper "ideological" outlook who are not burdened by a "respectful" attitude to the established rules of the criminal world. The actions of young "soldiers" — particularly the so-called "enforcers" (effectively human robots with nerves and muscles, killing machines) — are particularly daring and cruel and can be put down to a desire to win some "Lebensraum" from their "senior comrades" as quickly as possible. The "new generation" clearly has no intention of putting up with the virtually established division of spheres of influence, and — given that their ranks are likely to be swollen by participants in armed conflicts in "hot spots" — this is likely to exacerbate the already far from calm atmosphere within the criminal fraternity. In recent years and to an increasingly important extent that atmosphere has also been dependent on the nature of the relationship between the "Slav groupings" and the so-called "black" groupings made up of or led by people from the Caucasus who, unable to make money fast in their own areas, are particularly active in Moscow, St. Petersburg, and other major cities.

According to operational information from the Russian Federation MVD [Ministry of Internal Affairs] All-Russia Scientific Research Institute, criminal groupings control around 35,000 enterprises in Russia. This list includes more than 400 banks and 47 exchanges. Show business is totally controlled by crime, as is virtually all the wholesale and retail trade in Moscow, St. Petersburg, and other major cities, a considerable proportion of raw-material exports, and the production and sale of liquor. There have been indications that criminal businesses are breaking into the traditionally state- controlled gold, diamonds, and weapons industries. There are several versions of the mechanism for "converting" underworld capital — some of the funds are put into highly profitable spheres (gambling and show business, high-yield shares, real estate, and enterprises handling large amounts of cash); the rest is "laundered," converted into hard currency, and transferred to foreign banks. It is for this reason that the banking system is an area of heightened interest to criminal structures, and the bulk of the most serious economic crimes are committed in the credit and financial sphere. On the whole, the situation in the semicriminalized financial and banking sphere can be interpreted as a type of financial civil war (against the revival of Russia) that is using various types of fraud for the narrow, selfish aims of certain criminalized population groups.

The Russian criminal world's ties to international crime are of great importance in expanding the size and thrust of criminal activity. Russian organized-crime activity began several years ago by entering Western markets with consignments of "live" cargos, reselling stolen cars, and trafficking in weapons, antiques, and drugs. Information then emerged that the Russian mafia was participating actively in the criminal trade in transplants and donor blood. Over the past few years the scale and geography of international criminal ties has expanded considerably. According to Russian MVD information, around 200 Russian crime groupings have currently strengthened their positions in 29 countries outside the former Soviet Union, including Cyprus, Germany, Macao, Israel, Canada, the Netherlands, the United States, and so forth. The Russian criminal world is also gaining weight in the multinational criminal world, taking part in the international mafia's consolidation process. According to information from Western experts, the Italian, U.S., Colombian, Japanese, Chinese, and Russian criminal communities are gradually amalgamating — which could result in the very near future in the creation of a single center for coordinating their operations.

It is now virtually impossible to provide any kind of accurate description of our extremely diverse political scene without reference to the criminal factor. The level of the Russian criminal world's organizational and financial potential has long since allowed it to interfere in the political process. Having successfully preserved its underworld capital, the criminal world has clearly set and is already accomplishing the task of converting its underworld power — and signs of its success in this area are already being felt by society. Attempts are being made, through the mass media and the efforts of certain well-known politicians, businessmen, and journalists, to demystify the phrase "mafia-power." ("There is nothing strange about the mafia coming to power" — Artem Tarasov, State Duma deputy and former head of the "Istok" firm; certain parties which are particularly strapped for cash on the eve of the elections are prepared to establish an "exclusive" relationship with anyone who will give them 200 million rubles for their election campaign).

There are increasingly numerous examples to confirm that criminal structures are making strong inroads into precisely those areas where the state is clearly incapable of resolute and swift action — in areas where the

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Court of Arbitration is weak, "high-minded" gangsters will take care of debtors within a few days for just 20 percent of the amount owed; they also maintain "public" order in top hotels, prestigious restaurants and casinos, and other places where the police are powerless. The most worrying thing is that the young generation perceives these racketeers like latter-day "Robin Hoods" straightening out rich people who have gone too far, when business colleagues, the courts, the police, or even the tax inspectors are totally unable to cope. This image is being consistently maintained by a number of the media. Yes, on the whole, "the brothers are fine guys who like sport and have a healthy way of life and their own nobility." Thus, the future development of public morality for coming generations has already been proposed — from a "system of civilized cooperative members" to a "system of 'civilized' bandits." Voters are not just being "brainwashed"; tired of the promises and squabbling on the political Olympus, they are being persistently shown just who could restore "real" order in the country.

With its colossal resources of money, crime is investing in the political process and participating, directly or indirectly, in election campaigns at all levels, directly putting its own people into organs of power.

The criminalization of the upper echelons of power is becoming an important factor not only in domestic political processes but in interstate relations as well. The story of the list which CIA [as published] Director Louis Freeh allegedly gave a ranking Russian administration staffer, could be continued. The list, according to press reports, contains the names of certain top state officials whose accounts at U.S. banks are growing strongly as a result of large-scale criminal operations (in particular, transporting drugs to the Old and New Worlds).

On the road to achieving its political aims, the criminal world has one very low-profile but powerful natural ally. State policy toward business is shaped in such a way that virtually any kind of uncriminalized activity is unprofitable. As a result there are, to a greater or lesser extent, aspects of criminality in the activity of any commercial or even uncommercial structures employed in "honest" business. This is primarily due to the tax policy that is being implemented and to the entirely justifiable desire to avoid taxes, the constant need to take bribes that is felt by officials at virtually all levels who are too poor to be honest, and the enforced need to cooperate with gangster groupings that can provide "cover" for them. Larger firms try to rely on their own security services and to win the support (which does not come free, either) of high-ranking officials — effectively duplicating criminal structures' organizational operating plan. For its part, the criminal world is striving to make its legal "offices" ("legal security firms") look very proper and respectable. As a result, the dividing line between participants in legal and underworld business is becoming increasingly blurred. To all intents and purposes, two almost identical spheres of business with largely similar administrative and executive structures are existing side by side and focusing on the same apparatus-administrative bureaucracy from rayon to oblast and federal level.

In the opinion of Russian MVD Administration for Combating Economic Crime staffers, there is already a clear trend away from individual — albeit very frequent — cases of bribery of the representative authorities, to close and regular cooperation (on a permanent basis) between the apparatus elite, businessmen, and related criminal forces (forces rather than elements). The acceleration of the process of the interpenetration of two parallel systems and the strengthening of their alliance with the state bureaucracy to all intents and purposes means that the victory of the criminal bourgeoisie is coming closer.

Under these conditions the restructuring and strengthening under Russian Federation presidential edicts of the state security services, certain subunits of which are currently only 15-30-percent staffed, is natural, since it is no longer a question of individual criminal elements but of a real threat to Russia's national interests. It would be advisable to ask those who are continuing to scare citizens with the prospect of a police state what they would prefer — a professionally trained policeman or security service officer on every street corner, or a gangster. What is better — professional state control over all financial operations and the privatization of vast amounts of state property, or the further absence of controls favored by criminal and semicriminal structures? The answer from any law-abiding citizen is pretty easy to predict.

Military & Space Issues

Commander Examines Current State of Baltic Fleet

WS0908123595 Kaliningrad STRAZH BALTIKI in Russian 27 Jul 95 p 1

[Report on a news conference with Vladimir Yegorov, Baltic Fleet commander, by V. Nuyakhsev: "Our Fleet Is in Working Order and Combat Ready"]

[FBIS Translated Text] "Our Fleet is in working order and combat ready" — this was said by Admiral Vladimir Yegorov at a news conference held on the eve of Russian Navy Day. As STRAZH BALTIKI has already reported, Admiral V. Yegorov spoke about observing the forthcoming Navy Day in Kaliningrad and Baltiysk,

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various aspects of the Fleet's activities, social and other problems of servicemen, and prospects for the Baltic Fleet's development.

We Shall Use Tomorrow What We Economize Today

The Fleet command was guided precisely by these principles, cancelling the traditional water sports holiday on the Baltiysk Sea canal which used to be conducted on Navy Days in the past. Persistent fuel shortages and lack of prospects for improving the situation compel us to economize every ton of POL [petroleum, oil, and lubricants]. This becomes even more critical due to the forthcoming 300th anniversary of the Russian Fleet, a holiday which will be widely celebrated by the Baltic Fleet next year. "Already today we need to think about this holiday and to save up funds to celebrate it in a fitting manner," Admiral V. Yegorov remarked.

The commander also emphasized that the celebration of Navy Day will not be less interesting or less spectacular, though it will be held on a "more modest scale."

The Most Important Task Is To Feed the People

Delays in paying monetary allowances to servicemen, and wages to workers and Fleet employees cause "headaches" not only for financial bodies but also for the commander. Today, officers and enlisted are paid only half of their wages. Officers and enlisted of the ship section, as well as young officers without housing or whose wives cannot find employment, suffer particularly acutely from delayed payments.

In the Fleet, all the funds are used to pay wages. Money from the current account have been transferred for these purposes. In the meantime, transfers from the central authorities come with a large delay, and are far from satisfying the Fleet's needs.

Nevertheless, Admiral V. Yegorov emphasized, the command does not dramatize the situation. Most people in the Fleet, in the opinion of Admiral V. Yegorov, treat the situation in the country and in the Fleet with empathy. They do not lose hope that the financial situation will return to normal.

We Are Not Constructing Housing, But Are Receiving Some

Housing problems rate second after money on the list of the Fleet's problems, and — according to the Fleet commander — this also influences people's sentiments. "The more time passes from the day when we became a Russian Fleet, the more the situation with housing construction aggravates servicemen," Admiral V. Yegorov noted. Again, this relates to the lack of funds.

Presently the Fleet owes construction workers 30 billion rubles [R] and is compelled to suspend construction work. The commander said that they could not exceed this figure.

Meanwhile, in accordance with the Russian president's decree, a two-year housing construction project for servicemen has been drafted. According to this project, servicemen are to receive over 17,000 apartments. No less than R500 billion are needed for this. Money, however, has not been allocated, and therefore, the project will not be implemented. However, this is not the Fleet's fault.

Meanwhile, promises made by some politicians (in particular, Zhirinovskiy, who says he is ready to provide housing for servicemen within a year) are mere populism.

Funds from the sale of decommissioned ships could be appropriated to construct housing. However, the funds go to the Chief Military Budget and Finance Department, which sends next to nothing to the Fleet.

Still, the Fleet receives housing in other regions of Russia: Leningrad Oblast, Vladimir Oblast, and others.

The Fleet commander expressed hope that problems experienced by the servicemen in the Kaliningrad Special District, including housing, will be resolved faster and more effectively after the passage of the law "On the Special Economic Zone in Kaliningrad Oblast."

The Fleet Will Not Let You Down

"The Fleet's composition, which is currently at our disposal, is in working order," the commander stressed. Ships, the air force, and coastal units are combat ready and capable of carrying out tasks. Those who try to state the opposite simply do not know the actual state of affairs.

Yes, the Fleet has been downsized for the last few years. Yes, we are limited by materiel resources. Yes, we have lost some significant enterprises which provided the Fleet with spare parts and repaired combat equipment. Our Fleet, however, has not been weakened by this, which is also reflected in the results of the winter training. For example, out of 71 missile launches aimed at targets placed at an altitude of 50 meters or more, only one was unsuccessful.

Meanwhile, the Baltic Fleet needs to receive about 10 ships annually to maintain its current composition and not to lose its combat potential. None have been received so far. However, the Fleet can wait for another

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five years until new ships arrive. Today, the main task is to save what we have.

According to Rumors and Facts

Admiral V. Yegorov refuted rumors about the possible transfer of Baltic Fleet headquarters to St. Petersburg or Kronstadt. He announced that the country's leadership does not have such plans. The headquarters' redeployment — in terms of material expenditures — would be tantamount to the entire Fleet construction project. On the contrary, consolidation and improvement of command bodies of the Kaliningrad Special District is currently being conducted.

Thus, no one can have any doubts that the Baltic Fleet headquarters will remain in place.

The commander deemed as another "hoax" rumors about the Kaliningrad High Naval Institute's transfer to some other city. To the contrary, the institute is increasing enrollment of cadets and expanding its departments.

Perilous State of Naval Shipbuilding Examined

MM0908151495 Moscow ROSSIYSKIYE VESTI in Russian 8 Aug 95 p 3

[Article by Gennadiy Voronin, deputy chairman of the Russian Federation State Committee for the Defense Sectors of Industry; under the "Opinion of a Defense Industry Chief" rubric: "Absence of State Order Will Sink the Fleet"]

[FBIS Translated Text] Seamen carry out their combat service with limited means and by no means in all the areas where it is needed. The number of expeditions by warships has been reduced by three-quarters and the number of visits and duty calls to foreign ports by a factor of several tens. Not more than one-quarter of required scheduled repair work is being carried out, as a result of which the number of ships of restricted combat capability is constantly growing. Ships which have not served even half of their established service lives are being decommissioned from the fleet. Technical facilities and installations which ensure the proper basing of the fleet are not being replenished or repaired at the necessary level.

Perhaps the saddest thing is the situation regarding contemporary naval weapons. The bulk of warships are to all intents and purposes laid up, especially large warships such as the heavy nuclear-powered missile cruisers Lazarev and Nakhimov. Four of the five aircraft carrying cruisers have been decommissioned. Whereas the ratio of the number of ships in the U.S. and Russian Navies is 1.2: 1 respectively, the ratio of the number of fully mission-capable ships is 2.4: 1. The average age of our ships is now substantially greater than the average age of U.S. ships. The Black Sea Fleet has become weaker than the Turkish Navy.

The building of warships continues only in the city of Severodvinsk. The situation is getting so that not more than one nuclear submarine will be handed over every three years. In the past five years the building of not a single surface ship has been started. Of four almost finished ships, work is continuing only on the cruiser Petr Velikiy. Without modernization of existing plants, Russia has lost the ability to build ships such as aircraft-carrying cruisers.

A catastrophic situation has arisen with regard to the development and delivery of radar weapons [oruzhiye radiolokatsionnogo vozdeystviya] and components for ships. The system of production sharing under which they used to be developed and delivered has been entirely wrecked. The bulk of instrument making and machine building plants do not have contracts for the delivery of their output. Industry is not being prepared for the introduction of new models.

The work of scientific research institutes and design bureaus on the development of new models is not being funded. No groundwork is being carried out on the development of promising systems and complexes. The production of components for the needs of instrument making has been halted. Obsolete models have been removed from the production lines, but modern ones have not put into production by industry.

Scientific research and experimental design work in promising spheres which were formerly funded from the state budget allocated to the defense sectors of industry have virtually ceased.

So what should be done?

I think that a law on the state defense order should be enacted immediately. The absence of such a law will sink our fleet once and for all. At the same time, a state order should be confirmed and made universally applicable to contractors for the supply of components. A minimum permissible volume of the state order must be established for each enterprise and in the event of no order being forthcoming, this must be paid for as if this were enforced idleness. It is essential to plan the construction of ships of all the basic classes. A concept based on the construction of one or two types of ship is nonsense. Every type of ship has its own purpose and its own functions. The optimum specialization of ships with the maximum standardization of their weapons and equipment should be ensured.

The Russian Armed Forces' priority task is to maintain and develop the nuclear deterrent naval forces as "the

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most powerful and most cost-effective component of the strategic triad."

'Molniya-3' Communication Satellite in Orbit

LD1008095995 Moscow ITAR-TASS World Service in Russian 0902 GMT 10 Aug 95

[By Anna Bakina and Viktor Gritsenko]

[FBIS Translated Text] Moscow, 10 Aug (ITAR-TASS) — The "Molniya-3" communication satellite launched yesterday by the Russian Federation Military-Space Forces has been placed in orbit with the following parameters, which are close to those calculated: Initial period of revolution, 13 hours 17 minutes; orbital inclination, 62 degrees 50 minutes; distance from the Earth's surface — maximal, 40,850.5 km; minimal, 471.6 km.

This information was given to the ITAR-TASS correspondents at the press centre of the Military-Space Forces.

Federal Assembly

Duma To Sit 12 Aug; Quorum Believed Doubtful

MM1008085595 Moscow IZVESTIYA in Russian 10 Aug 95 p 1

[Report by Anatoliy Stepovoy: "State Duma Suspends Recess"]

[FBIS Translated Text] It was only at the second attempt, made this week, that the State Duma council adopted a decision to call an extraordinary session of the lower chamber of the parliament 12 August. There is only one issue on the agenda of the emergency sitting: a repeat examination of the law on the formation of electoral districts, which was rejected by the Federation Council.

The main initiator of the session being called during the Duma recess is Vladimir Isakov, chairman of the lower chamber committee. He is convinced that the prevailing stalemate over the law on "redrawing the boundaries" of the districts could raise the issue of the legitimacy of the upcoming parliamentary elections. The point is that the analogous law on elections to the State Duma from two years ago is in contravention of the current legal codes. Whereas the 1993 model of the law allowed for a 20 percent disparity in the number of voters in districts, now this difference must not exceed 10 percent.

The cause of the extraordinary meeting of State Duma deputies is the provision in accordance with which President Boris Yeltsin must determine his position on the rules of the 1995 parliamentary elections by 28 August. V. Ilyukhin, chairman of the State Duma Committee for Security, believes that overcoming the veto of the Federation Council would be the best method, and a quorum of 300 deputies is necessary for this.

Will the organizers of the "recess session" manage to gather the necessary number of deputies next Saturday? Apparently even the most active supporters of the measure in question doubt this. That is why, as your IZVESTIYA corespondent managed to find out, another way of pushing the law through is being prepared. For this purpose, the Committee for Legislation has prepared a new version of it. And a rather smaller quorum — 226 deputies — is needed for its ratification by the chamber.

True, an extraordinary sitting of the Federation Council needs to be convened in order to "breathe life into" the new draft law, which is highly problematic.

However, convening a full session of the State Duma itself is equally problematic today. In a conversation with staffers of the lower chamber apparatus, we managed to establish that less than 200 deputies said they are prepared to interrupt their vacation.

We will soon find out whether the measure in question will take place 12 August. But I am sure that we will never find out how much this undertaking will cost the taxpayer.

Rybkin: Duma Agenda Excludes Karadzic Appearance

LD0908125195 Moscow INTERFAX in English 1203 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (Interfax) — There is going to be only one item on the agenda of the extraordinary Duma session opening at 14:00 on August 12 — the formation of districts for parliamentary elections. This was reported to the press by the speaker of the lower house of parliament Ivan Rybkin after a meeting of the Duma Council Wednesday morning.

He stressed that he cannot bind the deputies to attend because they are on vacation but he will ask them to arrive for the session because this was the wish of over 100 deputies belonging to different groups. Besides, the absence of a decision on the issue might block many matters.

Commenting on the suggestion of several faction leaders to invite the leader of Bosnian Serbs Radovan Karadzic Rybkin said the matter cannot be included in the agenda because the special session is being convened for a different reason.

The Chairman of the Duma Security Committee Viktor Ilyukhin believes however that the plenary session on

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Saturday can pass a statement on the developments in Croatia and Bosnia. He said the Liberal Democratic Party will work out the draft of such a document.

Federation Council Ratifies Agreements With CIS

MM0908134095 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 p 6

[Unattributed report: "At the Federation Council"]

[FBIS Translated Text] The Federation Council has approved the following federal laws passed by the State Duma — "On the Ratification of the Consular Convention Between the Russian Federation and the Republic of Kazakhstan," "On the Ratification of the Consular Convention Between the Russian Federation and the Republic of Moldova," "On the Ratification of the Agreement Between the Russian Federation and the Estonian Republic on Matters of Social Guarantees for Russian Federation Armed Forces Pensioners on Estonian Republic Territory," "On the Ratification of the Consular Convention Between the Russian Federation and the Republic of Belarus," "On the Ratification of the Consular Convention Between the Russian Federation and the Republic of Uzbekistan," "On the Ratification of the Agreement Between the Russian Federation and the Republic of Tajikistan on Military Service by Russian Federation Citizens in the Republic of Tajikistan Armed Forces and Their Status," "On the Ratification of the Agreement Between the Russian Federation Government and the Republic of Tajikistan Government on the Procedure for Maintaining and Utilizing the Optical Fiber 'Nurek' Component of the Space Monitoring System," and "On the Ratification of the Agreement Between the Russian Federation Government and the Republic of Tajikistan Government on the Secondment of Military Advisers and Specialists to the Tajik Republic."

Regional Affairs

Reportage on Chechen Peace Talks, Military Accord

Peace Agreement Threatened

LD1008113895 Moscow ITAR-TASS in English 1055 GMT 10 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] MOSCOW, August 10 (ITAR-TASS) — The situation in Groznyy and Chechnya as a whole is growing increasingly tense. After a few days of relative calm connected with the first stage of implementation of the Moscow-Groznyy agreement on military matters, the air in the republic again reeks of gunpowder.

Local inhabitants are discussing Dzhokhar Dudayev's secret order on preparations for new hostilities and forcible takeover of power in the republic. The Russian command also has received such information and is getting ready for an adequate response.

Tougher checks have begun at all checkpoints on the approaches to Groznyy and inside the city. Reinforcements have been brought in to guard the building of the territorial directorate of the federal executive in Chechnya. At night it is difficult to fall asleep because of gunfire which has grown considerably more intense over the past two days.

The alleyway leading to the building of the OSCE [Organization for Security and Cooperation in Europe] mission where talks are going on is blocked by heavy trucks. Close to them a continuous meeting in support of Dudayev has been going non-stop for days.

ITAR-TASS has learned that Chechen militants penetrate Groznyy disguised as Chechen delegation guards. According to Dudayev's secret order they are to take Groznyy over from inside with the outside support.

Asked to confirm or disprove the information about the secret order, one of Dudayev's high-ranking officials who asked not to be named, replied: "We are not going to sit on our hands."

The leader of the Chechen delegation to talks in Groznyy, Khozh Akhmed Yarikhanov makes no secret of the Dudayev's order signed on August 2 on the procedure of implementing the agreement on military matters. He showed ITAR-TASS a copy of the order which in fact place the Dudayev militants beyond the frame of the agreement. Yarikhanov said "the law on defence" referred to in the agreement was not a Russian regulatory enactment but a law of the republic of Ichkeria (Chechnya). For this reason all the Dudayev armed forces are deemed to be legitimate under the law. "The regular army of the republic of Ichkeria will not disarm," Khozh Akhmed Yarikhanov told ITAR-TASS.

Three joint trips of members of the special observer commission and ITAR-TASS correspondents to Zandak, Shali and Achkoy-Martan have left an impression that the process of disarming the illegally armed forces may not begin at all. Until now the only achievement was the establishment of direct contacts between representatives of the federal troops and Dudayev's field commanders.

Dual power has in fact been established in all residential centres following the creation of local self-defence groups. ITAR-TASS heard this from the mayor

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of Shali, and the chief of the internal affairs department of the Achkhoy-Martan district. The local officials cannot understand how the already existing law enforcement agents can coexist peacefully with the newly established self-defence groups largely made up of Dudayev militants. Their commanders automatically become military commandants of individual villages or entire districts.

No one has yet started to think about turning in their weapons. All this points to the fact that the two main provisions of the agreement on military matters are being threatened with disruption.

Chechen Negotiators, Talks Delayed

LD1008081895 Moscow ITAR-TASS in English 0739 GMT 10 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 10 (ITAR-TASS) — The beginning of today's talks in Groznyy was delayed because of the Chechen experts.

Members of the Russian and Chechen groups of experts had gathered in the building of the OSCE [Organization for Security and Cooperation in Europe] mission in Groznyy by 10.30 Moscow time. They were joined by the co-chairmen of the special observer commission, federal force commander Anatoliy Romanov and Chechen chief of staff Aslan Maskhadov.

The Russian experts on political matters led by Vladimir Zorin, first Deputy Chief of the territorial directorate of the federal executive in Chechnya, also arrived for talks.

Chechen delegation member Akhmed Zakayev who was the last to arrive in the building. He said that the other members of the Chechen group of experts were detained at a Russian military checkpoint but refused to comment.

At 11.00 the Chechen delegation led by Khozh Akhmed Yarikhanov left the OSCE mission building in Groznyy. Delegation members told ITAR-TASS that the talks would not begin until it is made clear why the Chechen experts had not been allowed to enter Grozny on Thursday morning.

The Chechens also complained of the toughening of inspection of the Chechen delegation cars at Russian checkpoints.

Chechen Side Suspends Peace Talks

LD1008121995 Moscow ITAR-TASS in English 1156 GMT 10 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Sharip Asuyev]

[FBIS Transcribed Text] Groznyy, August 10 (ITAR-TASS) — The Chechen delegation to the Russo-Chechen talks has officially declared in Groznyy today that Russia "is departing from an agreement on a block of military issues in part concerning an exchange of forcibly detained people on the "all-to-all" principle and that the Chechen side suspends the talks.

Leader of the Chechen delegation to the talks Khozh-Ahmed Yarikhanov told TASS that "Russia continued artillery shelling of settlements which caused damage to houses" and added that "the problem of the accommodation and movement of the Chechen delegation to the talks had not been resolved either."

Yarikahnov said that "the delegation came under psychological pressure, the demonstration of the military might and a threat to use force at block posts and outside the building of the OSCE [Organization for Security and Cooperation in Europe] mission in Groznyy continues". According to Yarikhanov, "peaceful residents and home guards returning to their settlements to surrender weapons are being captured."

The leader of the Chechen delegation noted that filtration check points had not been winding up their activities. "The Commander of the Federal troops in Chechnya Anatoliy Romanov has agreed with some complaints made by Chechnya in its statement and promised to look into the activities of Russian servicemen at block posts, arrests of citizens and render assistance in the problem of the movement of the Chechen delegation at the talks," Yarikhanov said.

"As soon as Russia adopts a resolution on the official statement made by the Chechen delegation the talks in Groznyy will be continued," Yarikhanov said in conclusion.

Federal Troops Thwart Alleged Provocation

MM0908132295 Moscow ROSSIYSKAYA GAZETA in Russian 9 Aug 95 p 2

[Report by Vladimir Yanchenkov: "Rural Rally Chooses Peace"]

[FBIS Translated Excerpt] Groznyy-Zandak Village — Sensing the danger of political isolation, Dudayev is clearly prepared to embark on an adventure and resume hostilities. Will common sense be able to stop the bloodshed?

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The parties to the talks and crowds of Russian women are still to be found at the OSCE residence in Groznyy from the morning until late into the night. The women have worn-out faces and tear-stained eyes. They carry bundles and sacks. They have already spent many months living a terrible life on Chechen soil looking for their sons who have fallen in the war. [passage omitted]

Throughout this period the release of prisoners has been handled by Anatoliy Romanov, cochairman of the special oversight commission and commander of the grouping of federal troops in Chechnya, and his experts. All last week, during which, under the agreements that were reached, there was to have been an exchange of persons forcibly held by the two sides, representatives of the federal troops obtained lists from the other side of the Russian POW's that are being held.

The second cochairman, Aslan Maskhadov, his expert Shirvani Basayev, and other representatives of the Chechen delegation are stubbornly insisting that they have only five POW's. It is as if they fail to notice that it is only with the help of security that they are able to make their way through the OSCE gates past the crowd of soldiers' mothers.

Anatoliy Romanov was forced to make an official protest against the Dudayev side's deliberate delaying of the POW exchange process. The federal troops command, as is well known, had given the Dudayevites lists of persons held back on the day the agreement was signed — 30 July. At Anatoliy Romanov's insistence it was decided to hold talks with all the women outside the OSCE residence and to get from them whatever information they had.

Meanwhile, the situation in the Chechen Republic has deteriorated markedly in recent days. According to operational information, on the night of 6 August intensive gunfire was heard from the mountains where the illegal armed formations are located. A rumor soon spread that Dudayev had yet again announced the resumption of hostilities against the federal troops.

Detachments of gunmen entered a number of population centers. In Gudermes a major act of provocation was organized when they appeared. Crowds of women and children blockaded the federal troop subunits, screamed abuse at the servicemen, and threw rocks at them. Shots were heard in the crowd.

"We managed to localize the conflict," Anatoliy Romanov, commander of the unified grouping of federal troops, said, commenting on the incident.

The Dudayevites' plan, as ever, was straightforward — to stir up the local population, set them against the servicemen, and provoke gunfire that would hit women and children. Then — when the crowd would have attacked a soldier — to destroy the garrison. But the Russian servicemen kept their cool and the gunmen's plans were thwarted.

Talking about the real motives behind Dudayev's aggressive intentions, Anatoliy Romanov stressed that during 90-minute talks, a split had emerged among the gunmen.

A new political force in the shape of members of the Ichkeria delegation has come to the fore. Dudayev could thereby find himself overshadowed and politically isolated. Sensing that power is slipping from his hands, Dudayev is clearly ready to embark on an adventure and resume hostilities — all the more so as during the talks his formations have managed to attract new men and weapons and have regrouped.

But common sense is prevailing. Answering a ROSSIYSKAYA GAZETA correspondent's question about his attitude to Dudayev being ready to resume hostilities, Aslan Maskhadov stated the following:

"I personally don't believe it. Dudayev is perfectly well aware that such statements and actions would wholly discredit him in the eyes of the Chechen people."

When asked whether he believed it is possible to disarm the Chechen formations, Maskhadov replied:

"I have sufficient forces and powers to do so. I am one of the guarantors of disarmament, and I will do my duty."

The first good signs of real reconciliation have also appeared. On 7 August in the mountain village of Zandak near the border with Dagestan a rally was held in which Anatoliy Romanov and Aslan Maskhadov took part.

Telling those present about the agreement reached, which envisages disarmament and an end to hostilities, Romanov stated that everything now depends on the Chechens themselves.

The Zandak villagers promised to actively promote the ending of bloodshed and the establishment of peace. The rally elected the head of the local administration — the village commandant — and ratified the makeup of 25-man self-defense detachments. The rally decided to begin disarmament in Zandak Village and other population centers in Nozhay-Yurtovskiy Rayon in the next few days.

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Special Observers Meet With 'Hostility'

LD0908210995 Moscow ITAR-TASS in English 1921 GMT 9 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] ACHKHOY-MARTAN, August 9 (ITAR-TASS) — The special observer commission that arrived in the village of Achkhoy-Martan on Wednesday [9 August] to explain to people the importance of the military agreement between Russia and Chechnya was met with mistrust and hostility.

On the central square they found militants armed with submachine guns, machine guns and grenade launchers, and armed patrols posted along the perimeter. Snipers perched on the roofs of the nearby houses. A crowd of villagers — who have been rallying in support of Chechen separatist leader Dzhokhar Dudayev for about a month now — formed a circle around the APC in which the commission members had arrived, chanting anti-Russian slogans.

Lieutenant-General Anatoliy Romanov, commander of the Russian troops in Chechnya, told ITAR-TASS that the militants who have returned to the village are trying to establish control over it.

It is trouble spots like this that the commission plans to visit to explain to people the meaning of the agreements reached at the talks in Groznyy, he said. Among them he named Vedeno, Gudermes and Shatoi.

The stumbling block in the discussion on the disarmament of militants is Dudayev's decree establishing the procedure for implementing the military agreement. The decree signed on August 2 was brought to Achkhoy-Martan by Khozha-Akhmed Yarikhanov who leads the Chechen delegation to the talks with Russia.

The decree puts illegal armed formations outside the military agreement. It suggests disarming the so-called "criminal gangs" and individuals who keep arms, while Dudayev's formations "will hand in their arms for storage."

"In keeping with the law on defence mentioned in the above agreement, the regular army of the Republic of Ichkeria will not be disarmed," Yarikhanov told ITAR-TASS.

The implementation of the agreement seems to be somewhat problematic in Achkhoy-Martan whose police chief with 80 armed subordinates is concerned about how he should "co-exist" with a self-defence unit of 25 armed militants. His concerns are shared by the village administration head.

The problem is being compounded by the fact that military uncertainties cannot be cleared up without an agreement on political issues.

The commission — which includes General Yevgeniy Skobelev, General Nikolay Glebov, Yarikhanov and Chechen military chief Aslan Maskhadov — appointed one representative of the federal troops and one representative of Chechen militants to ensure the implementation of the military agreement in Achkhoy-Martan.

Dudayev Supporters Confront Officials

LD1008084195 Moscow ITAR-TASS World Service in Russian 0745 GMT 10 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Translated Text] Groznyy, 10 Aug (ITAR-TASS) — ITAR-TASS has learned from the leadership of the prefecture of the Achkhoy-Martanovskiy District that fighters in the detachment of the field commander Vakha Merzhoyev detained and disarmed the head of the district department of the Russian Federal Security Service directorate for Chechnya and officers accompanying him as they entered the district center on 7 August. The head of the district department was beaten up by a crowd of Dudayev supporters and armed fighters taking part in a rally, and there were calls for him to be shot. Internal Affairs officers managed to prevent the execution. Observing the conditions of the agreement on military matters signed by the Russian and Chechen sides, the Federal Security Service officers did not open fire.

POW Mothers Question Negotiating Team

LD1008110995 Moscow ITAR-TASS in English 0923 GMT 10 Aug 95

[By Tamara Zamyatina, Nikolai Kalintsev, and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 10 (ITAR-TASS) — Mothers of federal soldiers missing in Chechnya submitted to the Russian negotiating delegation in Groznyy on Thursday the question of paying compensation to Chechen families in which federal prisoners of war are being kept.

The mothers have been waiting for a prisoner exchange to begin in front of the building of the Organisation for Cooperation and Security in Europe office in Groznyy for several months. The prisoner lists have been compiled in cooperation with local residents.

"I do not rule out any options for the sake of the soldiers returning to their mothers. We shall submit the issue to the Russian government," first deputy chief of the local

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branch of federal executive authorities in Chechnya Vladimir Zorin told TASS, answering a question about the possibility of paying compensation for the POWs.

"You should not pay anything, it is a duty of the state," Zorin told the mothers.

'Popular' Groznyy Newspaper Resumes Publication

MM0908132195 Moscow IZVESTIYA in Russian 9 Aug 95 p 1

[Unattributed report under the "From Our Correspondents and News Agencies" rubric: "GROZNENSKIY RABOCHIY Resumes"]

[FBIS Translated Text] Publication of GROZNENSKIY RABOCHIY, one of the oldest and most popular Caucasian newspapers, has resumed in Groznyy after a long break. Founded in March 1917, the newspaper was closed down after the D. Dudayev regime acceded to power three years ago. Musa Muradov, GROZNENSKIY RABOCHIY's chief editor, told our correspondent Ilya Yakubov that the publication was reregistered 5 May, the editorial office occupies four rooms in a half-destroyed building, and it is published weekly on four pages with a print run of 10,000 copies. Volunteers are helping with distribution.

N. Ossetia, Ingushetia Continue Talks on Refugees

LD0908191995 Moscow INTERFAX in English 1401 GMT 9 Aug 95

[FBIS Transcribed Text] NAZRAN, Aug 9 (INTERFAX) — On Wednesday [9 August] in Nazran, government delegations from North Ossetia and Ingushetia continued their negotiations. Chairman of Ossetia's Council of Ministers Yuriy Biragov and Chairman of Ingushetia's Council of Ministers Mukharbek Didigov head the delegations.

As our INTERFAX correspondent reports, the meeting held the day before considered the principles for the refugees' and forced settlers' return to the places of their permanent residence on the territories of North Ossetia and Ingushetia, however, it was fruitless.

Sources close to the North Ossetian delegation reported to INTERFAX that the issue on the stages of Ingush refugees return to North Ossetian territory has become the stumbling block at the negotiations.

As one of the experts pointed out, the North Ossetian delegation insists on a stage-by-stage, considered and provided with material and technical resources return of Ingush refugees and forced settlers. A total of eight populated centers, Chermen, Dongaron, Dachnoe, Kurtat, Oktyabrskoe, Kartsa, Kambeleyevskoe, and Tarskoe, are proposed for this purpose.

The Ingush side believes that refugees should be granted the right to immediately return to all North Ossetia's populated centers which they left in the course of the armed conflict in autumn 1992. However, the expert said, the Ossetian side thinks that this can destabilize the situation in the conflict zone.

North Ossetia To Start Oil Refinery

MM0908130895 Moscow TRUD in Russian 9 Aug 95 p 2

[Report by Igor Dzantiyev: "More Reliable To Use Local Gasoline"]

[FBIS Translated Text] Vladikavkaz — A. Galazov, president of the Republic of North Ossetia-Alania, has said that the ceremonial startup of an oil extraction and refinery complex is scheduled for 3 October: Installation work is nearing completion in Pravoberezhnyy Rayon where stocks of "black gold" have been discovered.

Producing its own gasoline and other petroleum products is of tremendous economic importance for North Ossetia-Alania. Until now the republic was supplied with all kinds of fuel by other regions of Russia.

Nuclear Workers Have Not Been Paid Since Apr

LD0908185995 Moscow ITAR-TASS in English 1316 GMT 9 Aug 95

[By Yevgeniy Tkachenko]

[FBIS Transcribed Text] CHELYABINSK, August 9 (ITAR-TASS) — The outstanding debt to Russian defence enterprises in the Southern Urals has exceeded 230 billion roubles, representatives of the Chelyabinsk local administration said at a news conference today.

Over the past few months the outstanding debts had been paid to the "Polyet" radio plant in Chelyabinsk only with the assistance of the Russian government. Until now main enterprises of the defence sector have not been given state orders for the current year while at a number of such enterprises the industrial cycle lasts over six months or even a year.

Director of the Russian Federal Nuclear Centre, professor Vladimir Nechay, told TASS that workers engaged in the nuclear industry had not been paid even half their salaries since spring. In April, they were given 150,000 roubles (34 U.S. dollars), followed by another compensation worth 250,000 roubles and another one worth 150,000 roubles, while the average monthly wages is 550,000 roubles (approximately 122 U.S. dollars).

Managers of defence-related enterprises expressed concern over growing social tension in the industry. The

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local administration believes that measures should be taken at the Federal level to improve the situation or at least ease tension among workers.

Reportage on Regional Politics, Parties, Conferences

Rutskoy Opens Party Branch in Murmansk

LD1008054895 Moscow ITAR-TASS in English 0501 GMT 10 Aug 95

[By Vasiliy Belousov]

[FBIS Transcribed Text] MURMANSK, August 10 (ITAR-TASS) — Former Russian vice-president Aleksandr Rutskoy arrived in Murmansk on Wednesday night to open a branch department of his election bloc "Strong State." The main task today is to prevent Russia from sharing the fate of the former Soviet Union," Rutskoy said.

Rutskoy believes that his election bloc might be a political force uniting the people for the sake of the revival and the preservation of the Russian statehood. The "Strong State" bloc stands a good chance of winning the majority of seats in the lower chamber of the Russian parliament, Rutskoy said. Rutskoy's victory in the parliamentary elections will open him the way to the presidential race.

Upon completion of his visit to Murmansk Rutskoy intends to visit Arkhangelsk, Salekhard and a number of cities in the Urals region.

Bryansk ROH Branch Holds Conference

MK0908115495 Moscow SEGODNYA in Russian 9 Aug 95 p 3

[Unattributed untitled report from Bryansk]

[FBIS Translated Text] A conference of the regional branch of the "Russia Is Our Home" (ROH) movement was held in Brvansk. It elected six delegates to the forthcoming All-Russian congress of the movement. The delegation will be chaired by Vladimir Karpov, oblast administration head. According to Sergey Solovyev, regional branch deputy chairman, the ROH movement has a real possibility to win in the upcoming parliamentary election and to build a majority. To do this, it is necessary "to demonstrate in practice that the reform is indeed bearing fruit and making people's lives better.... It is obvious now that the most sober-minded people have already joined or expressed their readiness to join the 'Russia Is Our Home' movement," he said.

Support for Stavropol Communists Noted

MM0908134195 Moscow IZVESTIYA in Russian 9 Aug 95 p 1

[Unattributed report under the "From Our Correspondents and News Agencies" rubric: "For Bolsheviks or Communists?"]

[FBIS Translated Text] According to a recent sociological poll conducted by Stavropol's Humanitarian Research Center, one Stavropol resident in nine would vote today for the Communist Party, our correspondent Nikolay Gritchin has reported. Meanwhile, two city committees of the Communist Party of the Russian Federation are operating in parallel in the kray center, but they do not recognize each other and refuse categorically the possibility of cooperation in the elections. The first city committee is headed by orthodox [communists], and the second by supporters of moderate reforms.

'Union of Realists' Sets Up in Khabarovsk

MK0908115695 Moscow SEGODNYA in Russian 9 Aug 95 p 3

[Unattributed untitled report from Khabarovsk]

[FBIS Translated Text] A kray branch of the "Union of Realists" public movement was officially registered in Khabarovsk. The main directions of its activities comply with the aims and tasks of the All-Russian "Union of Realists" movement, standing for the creation of a true people's power in Russia and an accord between the state, society, and the individual. The local organization intends to participate actively in the forthcoming elections to the State Duma and local administration bodies.

Drug-Associated Crimes Rising in Novosibirsk

954F2990A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 3 Aug 95 p 1

[Article by unidentified correspondent: "Dzerzhinskiy Rayon Residents in the Lead"]

[FBIS Translated Text] According to information of the city's UVD [Internal Affairs Administration] and the municipal drug addiction dispensary, the increase in crimes associated with the consumption of alcohol and drugs and their illegal sale is continuing. In the first six months of this year, 861 such crimes were committed, which is 32 percent more than in the same period last year. More crime-conducive in this respect were the Dzerzhinskiy (132 percent), Kalininskiy (110 percent), Sovetskiy (84 percent), and Kirovskiy (59 percent) Rayons. The number of crimes committed by teenagers in a state of narcotic intoxication increased by

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3 percent in this half-year, and highway accidents due to driver drunkenness increased by 88 percent.

Counterfeit Money Seen Circulating in Novosibirsk

954F2999A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 3 Aug 95 p 2

[Report by Irina Timofeyeva: "A Real Dollar With Counterfeit Zeros: To Avoid Being Deceived, Know the American Presidents by Face"]

[FBIS Translated Text] Two 19-year-olds recently offered market merchants "greenbacks" at a lower-than-official exchange rate. They managed to sell eight $100 banknotes, which only the day before had had a face value of 10 times less. The purchasers could judge only by two impressive zeros. They did not know English and so could not read the spelled-out amount. If they had, they would have been very surprised. If, on top of that they had known the American presidents by face, they would never have been tempted by these greenbacks. The young men were detained. In their home, some semi-finished product was found for increasing the dollar face value. A criminal case on the charge of swindling was opened.

The personnel of the department for combating economic crime calls manipulations with dollars a purely Russian undertaking. For 70 years we have never held them in our hands and do not know how they look, and now we have rushed to buy them. Our crooks could probably teach a lesson or two to all crooks of the world, so ingenious are they. The evidence of this is a remarkable album compiled by Aleksey Vorobyev, an oblast UVD [administration of internal affairs] expert criminologist. It contains, shall we say, "autographs" of counterfeiters, swindlers, and crooks. Each has his own style.

All dollars look real. An inexperienced person at first glance will perceive them as such. But once you look closer, just a little closer.... How arrogant are the crooks, counting on their clients' naivete. One real dollar is made into $100 by pasting on zeros, but the spelled-out amount remained the same: "one." On another bill, more zeros are pasted over the letters. There are already electrographic forgeries. There are combination methods. One such banknote the expert appraised as a top-rate forgery. It was done by gravure printing method, which could not be accomplished without a highly skilled engraver.

"Generally, money—any money—cannot be forged," believes expert criminologist Aleksey Vorobyev. "It is always only an imitation, more or less skillful. These days, given the availability of all sorts of technology, it is in principle rather simple. Distribution is a much more difficult and dangerous part. But if we all follow rather simple rules, this "business" may perhaps wither away. There are two main points to remember about dollars: Never buy them on the street, and try not to buy banknotes printed before 1990. This was the year when additional protection features were introduced: a vertical line made of polymer material with extremely small print, and the same microscopic text around the portraits. If you are into buying dollars, know the American presidents. They will never let you down. The $100 banknote features Franklin, $50—Grant, $20—Jackson, $10—Hamilton, $5—Lincoln, $2—Jefferson, and $1—Washington.

What does the appearance of so-called partially counterfeit greenbacks mean? Only one thing: enterprise on the part of crooks and gullibility of philistines. Over the past two months, there have been nine instances of counterfeit money brought by resettlers from Kazakhstan—they simply have been deceived.

Well, and what about our "wood chips" that the Central Bank and the government are trying so assiduously to prop up? Although it depends how you look at it: See, new banknotes have been issued again, to gradually displace the old ones. Apparently to preclude any possibility of forgery. The tidal wave of counterfeit money seems to have subsided somewhat in connection with the military action in Chechnya. But since May, 50,000-ruble [R] banknotes of rather good quality have begun to circulate again. Perhaps the "specialists" have moved to other—safer—places, changed the method and technology.

As a rule, counterfeit money most often is discovered in banks when recounting cash deposits from enterprises. The counterfeit money is there, but the person is not. In approximately 20 instances, specific people were identified, mostly conscientious distributors or deceived people. An elderly woman sold a bucket of berries from her own garden, and was paid with a counterfeit R50,000 banknote. A young man went through seven kiosks with his banknote, and all refused to take it without explaining intelligibly why. He ended up going to the Central Bank administration, where it all ended.

And here is a recent case, which is far from over. A merchant from Iskitim came to Novosibirsk to buy merchandise. Racked up, as they say, R300,000 of goodies in one of the Central Market kiosks. But the woman running the kiosk did not like his R50,000 banknotes. She summoned a police patrol. The merchant was detained, and several more suspicious "fifties" were found on him—a total of seven. At first said that the woman in the kiosk had cheated him and passed counterfeit money to him. Then he came up with another

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explanation: He had sold a consignment of goods in Berdsk, and was paid with counterfeits.

It looks as if our people, like that woman in the kiosk, are beginning to learn how to recognize counterfeit money. But a few pieces of advice are not going to hurt.

Aleksey Vorobyev hands over to me the Iskitim money. Even to me, it is immediately clear that something obviously is wrong: They do not sound right when crumpled, and the paper is sort of flimsy to the touch. Pay attention to the color palette, the fonts of the series and the number. You can feel the raised print of the face value with your fingers. Although this also can be imitated. But it is impossible to imitate everything. Expert Vorobyev believes that our money has good protection. For instance, protective fibers—they are put in during paper manufacturing and are placed in a random pattern throughout its thickness. On the Iskitim forgery, however, they are very sharp and all in the same place on all seven banknotes. In one series of counterfeits, the last letter "i" was missing in the word "of Russia." If you examine the water mark attentively, you will not confuse it with any forgery—painted or blind-pressed.... There should be microscopic print in certain places.

A R100,000 banknote has been put into circulation; it has 22 protection features. Inside is a metallic strip. Specialists believe that it cannot be forged at all. But....

So what are the ordinary folks to do? Remember Kozma Prutkov's laconic advice: "Beware!"

Economic Issues

Yeltsin Vetoes Law on Foreign Trade Again

MK0908133695 Moscow SEGODNYA in Russian 9 Aug 95 p 2

[Report by Elmar Murtazayev: "Rejection of Law 'On State Regulation of Foreign Trade Activities' Is Going To Complicate Protection of Russian Market. Presidential Veto Surprised Conciliation Commission"]

[FBIS Translated Text] A high-ranking official of the Foreign Economic Relations Ministry said in an interview with SEGODNYA that yet another rejection of the law "On the State Regulation of Foreign Trade Activities" might considerably complicate the work on domestic market protection carried out by the ministry. The law, he said, detailed the working mechanism of the commission for protective measures in foreign trade. The rejection of the law calls into question the legitimacy of decisions passed by the commission.

It will be recalled that the first version of the law "On the State Regulation of Foreign Trade Activities" had been hammered out on the basis of two alternative drafts prepared by the Ministry of Foreign Economic Relations and the State Duma Committee for Economic Policy. On 12 May, the draft was approved at the State Duma session. The president, however, turned down the first draft, substantiating his decision by the incongruity of some items with the Constitution, the Civil Code, and the Customs Code of the Russian Federation. A conciliation commission with the participation of the Foreign Economic Relations Ministry, the Committee for Economic Policy, and the president's administration was set up to make the necessary amendments. After a month's work, the commission got an amended draft law ready, which was passed by the State Duma on 7 July and approved by the Federation Council on 21 July. Nonetheless, the president vetoed the law once again on 7 August, virtually repeating the argumentation cited when rejecting the first version of the law.

Some experts of the State Duma and the Ministry of Foreign Economic Relations have been perplexed to some extent by this decision, as it virtually annuls the results arrived at by the conciliation commission, which, according to the expert, took into account all remarks of the presidential side. The law's drafters and the commission members represented all branches of power, and so were "one hundred percent" sure of the law being signed. In the end, however, "the ambitions of some officials prevailed."

As for the law itself, it is crucially important for the work of the organizations engaged in foreign trade activity, according to the official, for the law determines the priorities of state foreign trade policy and domestic market protection mechanisms and methods of encouraging industrial exports, and creates the legal basis necessary for Russia to join the GATT and the WTO. The commission participants hope that the next, amended version of the law will be approved during the fall session of the Russian parliament.

Gold Reserves Seen as Source of Chechnya Funding

MK0908111895 Moscow SEGODNYA in Russian 9 Aug 95 p 2

[Report by Aleksandr Bekker: "Chechnya Operation Was Possibly Conducted at the Cost of Gold Reserves. Gold Reserves of the Country Have Been Reduced by Nearly One Hundred Tonnes Within Seven Months"]

[FBIS Translated Text] The Russian Government has repeatedly claimed, at the topmost level, that the warfare and restoration of the economy in Chechnya were being financed solely within the federal budget's framework. The expenditures, at that, were made within the limits of the articles envisaged for particular ministries

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and agencies — the Defense Ministry, Internal Affairs Ministry, Ministry of Agriculture, Ministry of Transportation, and so on. Following the 31 July session of the government, Vladimir Panskov, minister of finance, told a press conference that 2.4 trillion rubles out of the budget had been allocated "for Chechnya."

Many politicians and experts, meanwhile, have questioned time and again the official expenditure figures. They have maintained that the scope of the hostilities and the rehabilitation of Chechnya's infrastructure could in no way fit the monetary parameters cited by government officials. To substantiate their doubts, the experts reason from analogy. Andrey Illarionov, director of the Institute for Economic Analysis, cited last year's earthquake in the Kurils as an example: Some 16 people were killed then and several dozen houses were demolished, leaving 3,000 residents homeless. To eliminate the consequences of the disaster, some 500 billion rubles were necessary. In Chechnya, about 1,500 buildings were leveled, and according to estimates by Salambek Khadzhiyev's government, 25-30,000 people were killed, 300,000 were left homeless, and 500,000 became refugees. Comparing the figures, Mr. Illarionov found it difficult to believe that the government had squeezed by on 2.5 trillion rubles. The real expenditures, as the researcher estimates them, amount to $5-6 million.

All this, however, did not go beyond the level of assumptions and expert estimates. The established facts were still lacking. However, Yevgeniy Bychkov, chairman of the State Committee for Precious Metals, recently revealed some interesting information. On 1 July 1995, Russia's gold reserves amounted to 278 tonnes, while on 1 December 1994 — in other words, prior to the large-scale warfare in Chechnya — the gold reserves of Russia stood at 375 tonnes. Within seven months the country's gold reserve was reduced by 97 tonnes. Since a troy ounce of gold (31.3 grams) during this period was fluctuating between $350-390 on world exchange markets, Russia could have gained no less than $1 billion, or approximately 4.5-5.0 trillion rubles, had the said 97 tonnes been sold. The supposition that the government resorted to selling gold helps to sort things out: Officially declared funds for Chechnya really were taken out of the federal purse, and the authorities at the same time acquired money not accounted for by the budget to finance the military operation in the Caucasus.

Labor Minister Sees Flaws in Payroll Tax Abolition

MM0908133295 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 p 1

[Unattributed report: "Abolition of Tax Strengthens Stratification of Society"]

[FBIS Translated Text] The abolition of the tax on enterprises for exceeding their wages fund (as of 1 January 1996) will lead to a further stratification of the working population by income, Russian Federation Labor Minister Gennadiy Melikyan stated in an INTERFAX interview Monday. According to him, this measure will lead to highly paid workers' earning 30 to 40 percent more while the lower-paid are "left with the same income." Total abolition of the tax, in G. Melikyan's opinion, would be inexpedient for "purely fiscal reasons." The federal budget would lose 8 trillion rubles [R] in revenue (this year), and local budgets would lose more than R16 trillion. Territories, as the minister put it, could partly claw back these losses by tightening up the taxation of citizens' incomes.

Paramonova on How Central Bank Should Operate

MM1008103395 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 14

[Article by Maksim Zarezin: "You Cannot Live by Monetarism Alone"]

[FBIS Translated Text] A few days before the State Duma's discussion of Tatyana Paramonova's nomination for the post of chairman of the Central Bank, she had a meeting with members of the parliamentary Committee for Industry, Construction, Transport, and Power Generation. Her audience was mainly interested in the situation with investments in the real economy and the head of the Central Bank's attitude to this problem.

In Tatyana Paramonova's opinion, as far as the current investments situation in concerned, you have to proceed from the Central Bank's main task, which is to bring down inflation and achieve stability and predictability in the economic sphere, which in turn depends on the state of affairs on the money market, the size of the gross domestic product (GDP), and, therefore, the level of industrial output.

"Without growth in the GDP, it is impossible to rectify the situation by monetarist methods alone," Tatyana Paramonova stressed. True, she did not answer the question of how the ruble is now being strengthened when it is backed by fewer goods in circulation, saying that the volume of money supply in our country has always exceeded the GDP and that the ruble's well-being depends on the balance of payments, currency

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reserves, and other factors which now inspire a certain degree of optimism.

So, if growth in output is needed, this poses the question of sources and forms of investment. Tatyana Paramonova reminded her audience that attempts have been made in the course of reform to channel substantial resources into specific sectors, where they were expected to yield a rapid return, but very often they did not even reach the direct producers and the drop in output and the GDP continued. The situation in which it is simpler and more lucrative for commercial banks to concentrate on currency operations, the interbank market, and putting up credit to finance buying and selling deals, while production remains on starvation rations in financial terms (permissible and natural for a certain period of time) cannot be allowed to drag on ad infinitum. "If the imbalance between the real and financial sectors of the economy is not overcome in 1995, Russia has no future as a full-fledged state," the head of the Central Bank believes.

Now even the banks themselves are becoming increasingly aware that they cannot continue to place the emphasis on speculative operations on the money market, although the Central Bank is not entitled to wait until the fruit of this awareness ripens of its own accord. Its task is to create the conditions that will stimulate the flow of capital into the production sphere right now. But banks must have the appropriate resources to be able to provide long-term credit. Usually these resources take the form of people's investments, but at present, 57 trillion rubles [R] are being held by Russians. This being the case, the Central Bank has decided to promote the formation of a resource base for long-term investment with the aid of various measures, such as introducing differentiated mandatory reserve norms for the period of attracting resources.

The Central Bank believes that its efforts in this direction have been crowned with some degree of success. In any case, judging by commercial banks' reports, they now have R25 trillion to offer as medium-term credit: More than R17 trillion for a period of up to three months and approximately R8 trillion for a period of more than three months. True, this does not mean that all resources will definitely be channeled into production. At present, for example, it is more profitable to invest in short-term state bonds. Nevertheless, it is an important step forward in comparison to the time when credit was usually only offered for a period of a few days. Consequently, the Central Bank intends to continue its work in this direction.

The Central Bank is also alarmed by the growing number of banks going bankrupt. Ever since 1992, the Central Bank has proposed that a special insurance fund be set up to protect investments, but this proposal has always been rejected. Just recently, however, a similar initiative was put forward by the Duma Committee for the Budget, Taxes, Banks, and Finances, which has introduced the appropriate clause in a draft law on banks and banking activity. At present, in Tatyana Paramonova's opinion, the Central Bank does not have the legal powers to cope with the situation. She stressed at the same time that nowhere in the world is a national bank not responsible for the commitments of its commercial counterparts.

Commenting on the Central Bank's much-talked-of telegram about regulating cash flow, Tatyana Paramonova said that it became clear in early July that vast quantities of sales receipts are not being returned to the cash desks of commercial banks — and from there to the Central Bank. Moreover, many enterprises carry out cash transactions and do not enter this income in their accounts, thereby evading tax. This, together with other factors, has led to the situation where more than R3 trillion of cash are issued every day. Consequently, if there are delays with pensions or other payments in some areas, the situation is probably the fault of the local trade network, which is in no hurry to pay in its cash. Tatyana Paramonova said that in principle the telegram was a confidential document, which, like information on the transfer of a large sum of money, could not have become the subject of discussion abroad.

Deputies were interested to know where the currency corridor will lead and how far it extends. Tatyana Paramonova said that its expiry date — 1 October — was chosen to some extent "with the help" of parliamentarians themselves, when they failed to approve the budget for the fourth quarter. Without knowing its parameters or the details of the balance of payments, it is impossible to calculate exactly the limits of the corridor, although forecasts for the fourth quarter and for next year are being drawn up. The head of the Central Bank agreed that currency regulation should be combined with regulation of energy and transport tariffs.

On the whole, Tatyana Paramonova considers herself to be a supporter of state intervention in the economy with the aid of market mechanisms, which exists in all countries, where, for example, the correlation between labor productivity and wages is regulated in one form or another. On this point everyone present agreed, but, as we know, Tatyana Paramonova failed to win over the majority of deputies. However, during the meeting in question, she expressed the opinion that anyone else in her position would be forced to follow a similar course, because it is dictated by the reality of the situation and not by personal bias.

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'Gazprom' Shares Only Open to Russian Investors

MK0908132295 Moscow KOMMERSANT-DAILY in Russian 9 Aug 95 p 5

[Unattributed report: "'Gazprom' Joint-Stock Company's Shares Will Be Put Up for Auction in Vladivostok"]

[FBIS Translated Text] Leaders of the "Gazprom" joint-stock company announced that they intend to put up 24 million "Gazprom" shares, meant for Russian investors, at an auction at the Vladivostok International Stock Exchange (VISE), a KOMMERSANT-DAILY correspondent was told today by VISE President Viktor Sakharov. This will be done in compliance with the Russian president's edict of 17 September 1994, whereby all of the "Gazprom" shares that remained unsold during an all-Russian check auction (0.88 percent) are to be realized via the Vladivostok Stock Exchange. These securities cannot be sold to foreign investors.

Income From Sale of Shares Will Fund Gas Industry

MM0908132895 Moscow ROSSIYSKIYE VESTI in Russian 9 Aug 95 p 1

[Unattributed report: "'Gazprom' Eyes 'Rybinskiye Motory'"]

[FBIS Translated Text] Viktor Chernomyrdin has signed a directive on the early release and sale of the federally owned shares in the "Rybinskiye Motory" Joint-Stock Company — amounting to 37 percent of its incorporation capital. The shares will be sold in a single bloc by commercial tender. We have learned from an authoritative source in the Russian Government that the funds raised from the sale will be used to modernize the enterprise and assimilate a new product — gas-pumping installations. "Gazprom" is the customer as well as the initiator of the tender. Those wanting to acquire an undoubtedly liquid bloc of shares in "Rybinskiye Motory" can count on stable dividends.

World Bank Plans Assistance to Coal Industry

MK0908130295 Moscow SEGODNYA in Russian 9 Aug 95 p 2

[Report by Svetlana Lolayeva: "The World Bank Wants To Help Reorganize the Russian Coal Industry, While 'Rosugol' Intends To Seek a Rise in Budgetary Allocations in 1996"]

[FBIS Translated Text] The Russian Government intends to allocate 88 billion rubles in August to redeem budgetary organizations' debts to power enterprises in the Far East. As INTERFAX was informed by the "Rosugol" state company, which controls the majority of coal-producing enterprises in the country, the funds allotted will mainly be used to redeem power producers' debts for coal supplies and reserves built up for the 1995-96 heating season. It seems that the power industry's debts — the object of a complaint by representatives of "Rosugol" and miners' trade unions, lodged with First Deputy Premier Anatoliy Chubays as early as at the May meeting on the coal industry — continue to remain a major cause of critical situations at the mines. Anatoliy Vasyanovich, "Primorskugol" general director, told INTERFAX that the "Dalenergo" joint-stock company's debt to Maritime mines alone amounts to about 176 billion rubles. A considerable proportion of funds allotted by the government will go to Maritime and Khabarovsk krays. According to INTERFAX, funds intended for the redemption of debts will be allotted in accordance with the schedule approved by Anatoliy Chubays in mid-July. The total amount allotted to Far East enterprises for this purpose in the third quarter will be 263.7 billion rubles.

Whereas the government is seeking ways to solve the local problems of coal miners, the "Rosugol" company's leaders are setting themselves tasks of a more global character. The company's General Director, Yuriy Malyshev, told INTERFAX that 18 trillion rubles will be required in 1996 to close down unprofitable mines, put new ones into operation, and settle social problems in the coal industry. In the 1996 draft budget approved at a government meeting last week, however, only slightly over 7 trillion rubles are envisioned for this purpose. According to Mr. Malyshev, "Rosugol" does not regard this figure as final, and will seek to raise it to 11 trillion rubles.

As early as in May, however, Deputy Finance Minister Vitaliy Artyukhov sharply criticized "Rosugol's" leadership for an inefficient use of budgetary funds and suggested that the Fuel and Energy Ministry should consider the question of switching from "the pseudo-market managerial hierarchy in the coal industry, crowned by the 'Rosugol' company, to the contractual system of relations between the state and subsidized coal industry sectors." Therefore, it is unlikely that the "Rosugol" leaders will have their demands more than partially satisfied. They are probably counting on the lobbying of coal industry interests at the time when the budget will be discussed at the State Duma. The government, however, even under maximum pressure by deputies, will hardly agree to provide any additional funds in excess of the 1 trillion rubles that were added to the final draft budget for the development of the coal industry.

At the same time, according to the financial information agency, the World Bank will probably allot up to $500 million for the program to restructure the Russian coal

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industry. (Hasso Molineus), chief adviser at the World Bank Moscow office, said that the size of the "coal loan" is as yet tentative and it can be changed in the course of negotiations, which will last for 4 to 6 months. According to Mr. Molineus, the proposed areas, terms, and volume of coal industry funding are being currently discussed with a group of Russian experts headed by First Deputy Economy Minister Yakov Urinson.

CPC Chooses Italian-U.S. Contractor for Pipeline

MK1008090495 Moscow SEGODNYA in Russian 10 Aug 95 p 1

[ANI report: "Caspian Consortium Finds Contractor"]

[FBIS Translated Text] The Caspian Pipeline Consortium [CPC] board of directors has announced that a joint Italian-American enterprise, Willbros-SAIPEM, has been chosen to design and build on a turnkey basis the CPC's first-phase pipeline system. It follows from the consortium's press release that the Willbros-SAIPEM joint venture was judged the winner in the design contest for the first-phase pipeline project. The project, worth $350-$400 million, is to proceed in January 1996. The first phase includes the construction of a pipeline from the town of Kropotkin in Krasnodar Kray to a new sea terminal to be sited north of Novorossiysk.

Predicted Grain Shortage Causing Supply Problems

MM0908130495 Moscow TRUD in Russian 9 Aug 95 p 1

[Report by Lyudmila Nikolayeva: "Bypassing the Motherland's Granaries"]

[FBIS Translated Excerpt] Wheat prices rose dramatically on the stock market in July, by over 37 percent. Everyone finally seems to have realized that this summer does not promise a large harvest. The alarming expectations were fueled by Vice Premier Aleksandr Zaveryukha's statement at a government session to the effect that the gross grain harvest in Russia as a whole may stand at 76 million tonnes this year, 3 million less than last year and 12.6 million less than the five-year average. In this connection regions are already starting to experience difficulties with their supply of grain products. [passage omitted]

I must point out that the peasants have been schooled by bitter experience and do not put much faith in centralized state procurements of their output, payment might be a year late as has happened frequently in the past. Therefore the grain is steaming past "the motherland's granaries" and the free businessmen are the main customer in the countryside. And they are missing no opportunities. This year's grain is being energetically bought up by commercial structures, which have realized that they can make a decent living out of the difference between grain purchase prices in the summer and selling prices in the fall and the winter. For instance, in Altay around one-fourth of the entire standing harvest has been sold at a price of 250,000-300,000 rubles [R] per tonne (despite the fact that wheat prices on the grain exchanges have been fixed at around R500,000-600,000 per tonne). Futures deals are also being concluded in other regions, which is very worrying for administration leaders. In Ufa and Orenburg, for instance, there have already been official statements that grain will not be sold elsewhere for anything less than R1 million per tonne, otherwise businessmen will take everything down to the last grain. [passage omitted]

In the opinion of experts, the fixing of inflated prices with a view to keeping grain in their regions will raise grain prices this fall by at least one-fourth. In order to remove all artificial barriers, the government decree says plainly: "Russian Federation components' executive organs are to rescind all previous decisions restricting interregional movements of agricultural produce, raw materials, and food." Evidently, the previous restrictions have been lifted and new barriers set up. Administration by decree seems to be an incurable disease for Russia. As soon as the big boss in the center ceases to issue decrees, 33 [bosses] at the local level take hold of the administrative reins and all set about coaxing the market. As a result panic sets in along with speculative demand and crazy prices. We will have to experience all that in the very near future.

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International Affairs

Delegation Visits Kazakhstan, Views Military Cooperation

AU1008090695 Kiev HOLOS UKRAYINY in Ukrainian 8 Aug 95 p 1

[Unattributed report: "Issues of Bilateral Relations"]

[FBIS Translated Text] A Ukrainian Foreign Ministry delegation headed by deputy Foreign Minister Konstantin Grishchenko has completed its visit to Almaty.

During the visit, bilateral relations between Kazakhstan and Ukraine were discussed in detail as well as the course of fulfillment of the agreements signed by the two states. The sides exchanged opinions on problems of international security and disarmament issues. Prospects of military cooperation between Kazakhstan and Ukraine were also considered. Particular attention was given to preparing Ukrainian President Leonid Kuchma's visit to Kazakhstan.

Moroz, Bagabandi on Ukrainian-Mongolian Cooperation

MM0908131195 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 p 11

[Report from ITAR-TASS/IMA-PRESS/ ROSSIYSKAYA GAZETA column under the "Economic Chronicle" rubric: "Ukraine's 'Mongolian Reserve'" — from the "Departmental Supplement" section]

[FBIS Translated Text] Kiev — "Access to the Mongolian sales market for Ukrainian output would greatly help to stabilize the country's economy. Therefore Ukraine is extremely interested in developing bilateral relations in all areas."

This was stated by Oleksandr Moroz, chairman of the Ukrainian Supreme Council, during a meeting with Natsagiyn Bagabandi, chairman of the Mongolian Great State Hural. In the opinion of Oleksandr Moroz, Ukraine and Mongolia have a very great deal in common at the present stage, particularly with regard to economic reform. The speaker of the Ukrainian parliament believes that a sound legal base has been created for this — which will make it possible to galvanize Ukrainian-Mongolian relations.

Natsagiyn Bagabandi in turn proposed devoting more attention to cooperation in the agricultural sector, particularly in sugar beet cultivation. He recalled that the experiment begun in 1993 to grow beets with the help of Ukrainian specialists had been rated highly by the Mongolian side. Last year's harvest reached 240-260 quintals per hectare. During the present visit the sides intend to sign a protocol on cooperation between the two countries' parliaments. It is also planned to sign a treaty on legal aid relating to civil and criminal cases, an agreement between the Ukrainian and Mongolian Governments on cooperation in the sphere of railroad transport, and also an agreement on international road transport.

Chinese-Ukrainian Trade Talks Held in Kiev

LD0908204495 Kiev UNIAN in Ukrainian 1215 GMT 9 Aug 95

[FBIS Translated Text] Kiev — Representatives of Ukrainian ministries and departments and Chinese Foreign Trade and Economic Cooperation Assistant Minister Sun Zhenyu-led delegation of government officials and businessmen have held talks at Ukraine's Foreign Economic Relations and Trade Ministry to discuss the state of Sino-Ukrainian trade and economic relations and their prospects.

The talks noted, in particular, that China ranked as a major Ukrainian foreign trade partner, with exports to China in 1994 reaching almost $800 million and goods turnover totalling around $900 million. First quarter exports in 1995, predominantly metal and chemical products, came to $87 million and imports to $75 million.

Ihor Podolyev, in charge of the Ukrainian delegation, reiterated that preparations should be launched for Ukrainian President Leonid Kuchma to sign bilateral documents on the avoidance of double taxation, interbank settlements, and civilian space cooperation during his forthcoming visit to China. The sides noted that long-term cooperation projects should utilize the potential of the steel, non-ferrous metals, machine building, chemical, petrochemical, mineral fertilizer industries, and agriculture.

Industrial construction on a compensatory basis was identified as another form of cooperation between Ukraine and China that has good prospects. This may be used to build facilities in the fuel and energy, mining, chemical, processing, and electrical engineering industries. It was noted that Ukrainian achievements in the latter area and, in particular, in the manufacture of steam and water turbines, power grid, and power plant equipment could find application both in China and other Southeast Asia countries.

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Cooperation Talks Held With Japanese Industrialists

AU1008081395 Kiev URYADOVYY KURYER in Ukrainian 8 Aug 95 p 1

[Report by the Ministry of Foreign Affairs Press Center: "A Ukrainian Delegation in Japan"]

[FBIS Translated Text] A Ukrainian delegation headed by Ukrainian Presidential Aide O. Popov has been visiting Japan. The delegation included statesmen and heads of a number of Ukrainian enterprises. The meetings and negotiations that the delegation held in Japan's governmental institutions and with leaders of Japanese business circles made it possible to outline a number of priority trends in Ukrainian-Japanese cooperation, namely, in metallurgy, the chemical industry, telecommunications, machine building, and so on. It is precisely in these branches that joint projects using advanced technologies and Japanese investment will be put into practice. Of great importance were, in particular, negotiations at Japan's Ministry of International Trade and Industry. During the final meeting at the Association of Japanese Entrepreneurs "Keydanren" [name as transliterated], at whose invitation the Ukrainian guests visited Japan, it was pointed out unanimously that the main accords reached during President Kuchma's visit to Japan are becoming filled with practical content and are acquiring concrete forms of cooperation.

Investment Protection Accord Signed With Argentina

LD0908125595 Kiev UNIAR in Ukrainian 1130 GMT 9 Aug 95

[FBIS Translated Text] Kiev [no date as received] — Despite the rather slow development of trade and economic relations between Ukraine and Argentina, there is a mutual interest in bilateral cooperation. This was the consensus at a meeting between Ihor Podolyev, Ukrainian first deputy foreign economic relations and trade minister and Argentina's Deputy Foreign Minister Fernando Enrique Petrella.

On the results of negotiations, a Ukrainian-Argentine mutual investment promotion and protection accord has been signed.

Ukrainian President Leonid Kuchma is to pay a state visit to Argentina in October of this year.

Economic relations at present are below both countries' potential. In particular, last year's foreign trade turnover fell by 31.7 percent on 1993 to just over $4 million. Ukrainian exports fell, while Argentine imports rose from $1.3 million to $1.146 million. The export of services from Ukraine to Argentina in 1994 came to $1.138 million and their import from Argentina to Ukraine to $409,400. According to Ukraine's Statistics Ministry, in the first quarter of this year Ukraine exported to Argentina $1.1 million worth of goods and imported nothing. The export and import of services to and from Argentina in the same period totalled $231,800 and $1,400 respectively.

Arms Manufacturers Establish Contacts With Egyptians

AU1008081295 Kiev URYADOVYY KURYER in Ukrainian 5 Aug 95 p 1

[Unattributed report: "Ties With Egypt Are Expanding"]

[FBIS Translated Text] This year, for the first time, Ukrainian suppliers of military hardware have established direct contacts with Egyptian purchasers. As UKRINFORM has learned from the Press Service of the Ukrainian Embassy in the Arab Republic of Egypt, in accordance with the proposals that had been prepared by the trade and economic mission within the Ukrainian Embassy in Egypt, in June and July alone, five working groups worked in Egypt in various directions. They were made up of heads of Ukrainian military enterprises and Defense Ministry subdivisions. Contracts worth $7.4 million have already been signed and new proposals by the Ukrainian side considerably exceed that sum. For reference, it is worth recalling that Russia's military deliveries to Egypt account for 30 percent of the cost of the total commodity turnover between the two countries. It looks like the Egyptian military market may become attractive for Ukrainian enterprises.

National Affairs

Establishment of State Investment Company Decreed

LD0908214695 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 9 Aug 95

[FBIS Translated Text] Ukrainian President Kuchma issued a decree setting up the Ukrainian State Credit and Investment Company. It is established to attract domestic and foreign credits and investments into the priority sectors of the Ukrainian economy, ensure the implementation of the government policy in this sphere, and facilitate the settlement of Ukraine's foreign debt.

The company will be engaged in preparing and implementing a range of measures in arranging finance for investment projects, overseeing the use of invested resources and servicing credits issued by foreign governments, international financial institutions and foreign banks under the guarantee of the Cabinet of Ministers in accordance with Ukraine's international agreements. The company will cooperate with international

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and foreign governmental and nongovernmental organizations in an effort to attract financial resources into the Ukrainian economy.

The company's governing body is the board of directors headed by the company president, and its controlling body is the supervisory board headed by the prime minister. Appointments to the company's supervisory board are approved by the Ukrainian president.

The decree appoints Borys Sobolev as president of the Ukrainian State Credit and Investment Company.

Reasons Behind Colonel Palyvoda's Arrest Pondered

AU1008100095 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 8 Aug 95 p 1

[Unattributed report: "Viktor Palyvoda Started Talking...."]

[FBIS Translated Text] **As reported, the local police in the Hungarian capital recently arrested our compatriot Viktor Palyvoda. It was done at the request of the Ukrainian side in accordance with the international accord.**

What Followed Next?

Palyvoda is not an ordinary figure. At least, proceeding from the available scanty information. He belonged to that category of people who consciously avoid the limelight. To begin with, Colonel Palyvoda was one of the leaders of President Leonid Kravchuk's Security Service. However, this may just be the tip of the iceberg.

According to a journalists' investigation carried out by KIYEVSKIYE VEDOMOSTI, two years ago, when the possibility of introducing a state of emergency in Ukraine was discussed in the corridors of supreme power, a special subdivision was formed to be deployed in the time of a crisis situation. That special administration existed for one year under the auspices of the Defense Ministry and was disbanded after Leonid Kuchma became president. Well, that subdivision was headed by Viktor Palyvoda.

In addition to that, he was the plenipotentiary manager of the Civic Coordination Center for Assisting the Ukrainian President (of course, Leonid Kravchuk) with a separate bank account.... Besides, there were ties with the international arms trade. And also....

Palyvoda is now accused of misappropriation of particularly large sums of money and costly equipment and of illegal operations involving foreign currency.

This information is from unofficial sources. What can we do if competent Ukrainian offices are silent. It also goes without saying that Leonid Makarovych [Kravchuk] also keeps silent. Until quite recently, the Hungarian side also kept silent.

The Budapest paper NEPSZABADSAG has at last somewhat lifted the veil. In the photograph published in it, one can see Viktor Palyvoda behind prison bars. He was arrested on sanctions of Hungarian security services in the building of a joint enterprise office where he turned up at the beginning of the current year.

Palyvoda believes that if he is handed over to Ukrainian authorities, he will not reach Kiev alive. He believes that announcing him a criminal was too hasty. In reality, he is not involved in opening foreign currency accounts for Kravchuk anywhere. Nor are the charges of misappropriating costly equipment true, because, when he was leaving his former job, the audit did not reveal anything.

"Why then have you not been done away with, at least during the 'settling of accounts' among members of mafioso groupings?" journalists asked Palyvoda.

"I thought about this myself. However, there is probably interest in information about my past activities," was the answer.

New Ukraine Association Presents Election Manifesto

LD0908113095 Kiev UNIAN in Ukrainian 0900 GMT 9 Aug 95

[FBIS Translated Text] Kiev [no date as received] — The New Ukraine Association will take part in parliamentary elections in Ukraine on 10 December 1995, reads a statement by the political bloc's leadership.

The statement sets out the association's manifesto, its provisions, in particular, as follows: Radical economic, political, and societal reforms, a stronger foundation of social partnership, effective employment and fair pay, better living standards for the underprivileged, energetic activity to preserve and regenerate nature, equal opportunities for the young, accumulation of society's scientific and cultural potential, consolidation across society, passage of a new constitution to safeguard a presidential and parliamentary republic in Ukraine, a professional parliament, recognition of all forms of ownership, supremacy of human rights and freedoms, and a civilized way of life.

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Lvov National Patriotic Bloc Against Russian Programs

WS1008093295 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[FBIS Transcribed Text] Lvov, Aug. 9 — The Ukrainian National Patriotic bloc of Lvov, uniting 53 parties and public organizations, announced a declaration supporting the State Committee on Television and Radio Broadcasting.

The switching of Moscow programs to another channel is a forced measure and a warning to the Russian mass media, says the document.

"After Ukraine proclaimed its independence, the mass media of Russia started an anti-Ukrainian campaign. Russian television provides false information on foreign and domestic policy of our country, interfering with our domestic affairs," says the declaration.

The Ukrainian National Patriotic bloc of Lvov region called the funding of Russian television transmission from local budgets by oblast councils of some regions anti-nationalistic.

Crimean Parties Form Discussion Roundtable

WS1008093395 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 9 — A group of 10 Crimean political parties and public organizations have established a permanent roundtable for alleviation of the sharp political divisions that have plagued the peninsula.

"We hope that our roundtable will be a key step in seeking public order and become the tribune for discussing the most serious political and socioeconomic problems," said a statement by the group, members of which include the Ukrainian Republican Party, Ukrainian Democratic party, Crimean Public Congress and the Prosvita Society.

Participants expressed the hope that Crimea's other parties would join the forum, which "will be the means for making peaceful decisions and preventing sharp confrontations which could lead to bloodshed."

Tsekov Forms New Parliamentary Faction

954F3007A Simferopol KRYMSKIYE IZVESTIYA in Russian 5 Aug 95 p 1

[Interview with Sergey Tsekov by N. Gavrileva; place and date not given: "On a Party Basis"]

[FBIS Translated Text] On the last day of the session prior to the parliamentary recess, a new faction—the Republican Party of Crimea faction—was registered. We interview its chairman—Sergey Tsekov.

[Gavrileva] Sergey Pavlovich, for the first time in the Crimean Parliament, a faction has been formed on a party basis....

[Tsekov] There is nothing unusual in this, this is the practice throughout the world. We proceeded from the fact that each faction in the Supreme Council should be backed by particular political forces outside of parliament—only in this case, with the factions' close work with the corresponding organization, can we speak of the efficiency of the work of the deputies proper. We believe that there should be control of both the deputies and the factions.

You know that prior to this there was the Russia bloc...

[Gavrileva] Yes, we know its tragic history....

[Tsekov] I do not consider it tragic. We hope that the bloc will continue on the basis of, say, the RPK [Republic Party of Crimea], Russia, Russia-Unity, and Republic factions—those that were formed in a year of work—and that a coalition will be created. The mistake of the Russia bloc was that we permitted amorphousness and blurred lines—this is why we believe that the creation of a faction on a party basis is necessary. The fact that there was no such faction hitherto was a mistake also.

[Gavrileva] The aims of your association most likely coincide with the party program?

[Tsekov] Of course, they remain as before: defense of the statehood of the Republic of Crimea, prevention of the creation of a republic on a national basis, protection of Russians and Russian speakers in Crimea (which has become increasingly urgent in Crimea as of late), and the all-around furtherance of integration processes on the territory of the CIS. And participation in the solution of all questions connected with the day-to-day work of the Supreme Council, of course.

[Gavrileva] Who are you, how many are there of you?

[Tsekov] We are 10 persons thus far—all members of the Republic Party. Prior to this, we were all members of different factions.

There was earlier the mistaken notion that the Republicans held power. Let us dot all the "i's": In actual fact, we never had a majority in the Supreme Council—this was held by the Russia bloc. There are only 15 of us RPK members now, but not all of them have as of yet joined the faction—we have given them an opportunity to think about the situation, they have to make up their minds for themselves: Either they join the faction or they will terminate their party membership. But we would not want the creation of our faction to serve as the start of the disintegration of others.

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We believe that the features that were observed prior to this— the inordinate intra-party democracy, the leadership of the party's failure to carry out decisions— had a disastrous effect on realization of the party program.

[Gavrileva] So we are returning to the model of a Lenin-type party?

[Tsekov] This is not a model, it is elementary discipline. Intra-party democracy up to the adoption of a decision, certainly, but the strictest discipline in its fulfillment after it has been adopted. In this case the deputy's accountability will be not only to himself and his constituents, but to the political organization that nominated him and, let's be frank, thanks to which he was elected to the Supreme Council.

[Gavrileva] A logical question: Will your faction be in opposition to the present leadership of the Supreme Council?

[Tsekov] We would not want to talk today about opposition, about some position in general—we have a month of vacation ahead of us and we will work out regulations governing the faction, determine what we are fighting for and what we want, and identify our allies and opponents. I believe that the normal work of a party faction should be built on such principles. You will, I believe, be hearing more about the work of our faction.

Government Adopts Ammunition Depots Safety Program

LD0908205295 Moscow ITAR-TASS in English 2022 GMT 9 Aug 95

[FBIS Transcribed Text] KIEV, August 10 (ITAR-TASS) — The Ukrainian government adopted a state programme to ensure safety of ammunition depots, bases, and warehouses containing weapons and ammunition, chief of a government department for defence affairs Valentin Lemish said on Wednesday [9 August]. "We are to put in order what we inherited from Soviet troops returning from eastern Europe," he told the press.

The programme will be implemented until the year 2015, he said.

Commenting on the current status of Ukrainian-Russian talks on the Black Sea Fleet, Lemish blamed Russia for "improper" conduct saying that it pressed on Ukraine to make it agree with Russian bases being stationed in the Crimea. He also said that Ukraine would not make any further concessions as "in this issue, Ukraine has already done what it could to meet Russia halfway."

Talks on Ukraine's purchase of strategic bombers also somewhat stalled, the defence official said adding, however, that military experts kept consulting on prices and internationally acceptable procedures for handing over the planes.

The Ukrainian cabinet also instructed the departments of foreign and defence to closely examine a bilateral agreement on terms and costs of a Russian 14th army weapons transit through Ukraine, the official said.

Ministry, German Firm Examine Chernobyl Closure Options

WS1008102295 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 9 — The Environmental Protection and Nuclear Safety minister met with Siemens firm representatives Tuesday [8 August] to discuss construction of power units to replace electricity losses that will result if the Chernobyl plant closes, the Environmental Ministry reported Wednesday.

"Ukraine welcomes the measures to modernize its electricity generating industry, but this project is to be considered apart from the Chernobyl problem," said Environmental Protection and Nuclear Safety Minister Yuriy Kostenko.

The principal position of Ukraine is to construct a new plant near Slavutych, he said. This will make it possible to save high- skilled personnel, provide social protection for Chernobyl workers, create a mechanism for long-term financing of the plant shutdown and make the sarcophagus an ecologically safe object.

"Ukraine does not insist on the option of building a steam-gas plant," Kostenko said. "But the choice of a technical solution will depend on the possibility to put the Chernobyl plant out of operation by the year 2000."

Economic Issues

Economy Minister Views Course of Reforms

AU0908153595 Kiev URYADOVYY KURYER in Ukrainian 3 Aug 95 p 3

[Interview with Minister of Economy Roman Vasylyovych Shpek by Zoya Krasnodemska; place and date not given: "The Disease Has Been Diagnosed Correctly, and the Treatment Has Already Started"]

[FBIS Translated Text] [Krasnodemska] Roman Vasylyovych, you were one of those department leaders who frequently published their articles in URYADOVYY KURYER, openly spoke about problems, and courageously outlined ways for emerging from the crisis. We

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hope that our paper will continue to be a podium that you respect and from which you will voice your position as the leader of the state's main sphere of life.

Well, the sphere of your activity has expanded. With what have you started your work at the new post and what directives have you issued or prepared? What do you generally plan to change or improve?

[Shpek] Right, I often took the opportunity to address Ukrainian citizens from the pages of your newspaper, to discuss the problems that exist in our country's economic life, to expound my ideas, and to try and unite like-minded people and executive officials so that we could join efforts as soon as possible and, together, overcome the economic crisis in our state. I count on continued close cooperation with your newspaper.

Regarding expanding the sphere of my activity, I will have to spend more time on coordinating the work of the ministries and departments with an economic orientation and to direct their efforts toward the continuation of the course of radical economic reforms initiated by President Leonid Kuchma. The tasks formulated by the head of state in his recent speeches and appeals to Ukrainian citizens orient the government toward developing measures to further specify steps, or more accurately, methods of economic reform. This will promote the policy of financial stabilization that is now being implemented actively in our state and that has already produced positive results. In turn, this policy will help overcome the crisis that was primarily due to the decline in production and investment activity, to the intensification of the energy crisis, to the exacerbation of the situation in the finance and credits system, and to the lack of orderliness in mutual settlements. It is only through real growth of the gross domestic product and its reasonable distribution that we will be able to achieve an improvement in our citizens' standard of living.

Strictly speaking, this is the main objective of the government and its economic reforms.

However, I fully realize that we will still have to pass through difficult stages on that road. To achieve success, we should not stress unnecessarily those losses and difficulties that have become a heavy burden upon the shoulders of our citizens and entrepreneurs regarding the implementation of the financial stabilization program. On the contrary, we must help people realize that financial stabilization is the beginning and the basis for reforming the economy as a whole. To put it differently, unless we overcome the high inflationary pressure upon the economy, we should not expect any real structural changes, or the development and successful implementation of an efficient industrial policy, or an increase in the export potential.

Of course, financial stabilization has not just revealed all those problems and disproportions that exist in our economy. It has made them even more acute, having shown, as though for the first time, the true scale of the problems. Now, we have to overcome them. Quickly, efficiently, and without mistakes. Decisions and actions by the government and local executive structures must be well-balanced and well-considered. We must make new decisive steps toward normalizing the economy. Just like a surgeon who, during the operation, has suddenly sighted the true cause of the disease and has to immediately adopt the only correct decision on what to do next.

All leaders of ministries, departments, and executive power bodies, jointly with people's deputies, work on new concrete mechanisms that must underlie the program "Foundations of the Government's Activity During the Period of Transformation of the Economy From the Administrative-Command to a Market-Oriented One." Both in governmental circles and in the offices of leading officials, the situation is being analyzed and new proposals are being made so that, during the period of initial signs of financial stabilization, it will be possible to expand the range of those methods that are used in implementing the policy of economic reforms.

[Krasnodemska] In recent years, the government has done nothing but offer treatment for our seriously sick economy. However, its condition has not improved. Has the disease been diagnosed correctly? Or are the physicians bad? Or perhaps the medicines or injections are inadequate?

[Shpek] Right, in recent years, a lot of effort has really been made to cure our economy of the chronic disease. The trouble, however, is that we started doing this too late. The disease, or the crisis, did not start with the proclamation of our state independence, but developed within the old socioeconomic system. The cost-intensive and unproductive economy would not be able to su¸ port the old political system. This is, perhaps, the principal reason for the disintegration of the Soviet Union, rather than the decision (or as some people call it, "conspiracy," of the leaders of three fraternal republics that have now become states), conceived in the Belovezhskaya Pushcha.

When we started looking for the right remedy in our independent Ukrainian state it was too late. For some reason, we hoped that the situation could be changed for the better through half measures. We only wasted time. One cannot say that nothing at all was done, but the measures were not consistent and not comprehensive and sometimes even self-contradictory. For example,

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the linking of the rate of the Ukrainian karbovanets to that of foreign currencies that seemed to have enabled us to overcome last year's high inflation rate, but led to an exacerbation of the nonpayments crisis, further increased Ukraine's debt to Russia and Turkmenistan.

Therefore, all of us — leaders of the state, government officials, representatives of local power bodies, directors of enterprises, and citizens — should stop grumbling about the inefficient economy that we inherited from the Soviet Union. Even though this is a fact that cannot be either denied or disposed of. To make the life of all of us better, however, we must, at this stage of transformation in the economy, balance it and live according to our possibilities. The present situation with the trade balance, when critical imports are in drastic excess of export possibilities, compels one to make a serious analysis and introduce changes into our industrial and agrarian policies and find ways to raise the export of products.

While resolving these tasks, however, we must primarily take into account the fact that our economy is, unfortunately, very cost intensive and inefficient, and the productivity of labor also remains low. That is why the policy of refraining from fast economic reforms that was pursued at the beginning did Ukraine much harm.

After all, we were not the only ones who have suffered from this. The experiences of Russia, Moldova, and the Baltic and Eastern European states — all countries that passed from the administrative-command to a market-oriented economy — indicate that they, too, have suffered heavy losses. Primarily due to the decline in the volume of production that led to the decline in the population's standard of living and also due to the exacerbation of social problems and the excessive politicization and polarization of society. However, this is the price that the people and society must pay for their future.

Yes, we did conceal our social problems for too long. We could still keep all of these hardships and crisis phenomena hidden. But at what expense? At the expense of the future and at the expense of our children's and grandchildren's and, generally, future generations' well-being. This would be nothing other than ruining the foundation of Ukraine's statehood that has just been laid.

It is, however, clear that one needs to diagnose the disease accurately before choosing the right medicines to treat it. This depends upon the physician. Upon his talent, skills, and understanding. I see the team made up of the president and the government cooperating closely with the legislative power bodies and jointly undertaking to heal the sick society and the sick economy as incarnating that physician. Besides, we must also take into account the experience accumulated by all those who have gone through similar transformations. It is unlikely that we will introduce something awfully new or special. However, we will, undoubtedly, have to deal with, so to speak, "purely Ukrainian phenomena." They exist in various spheres and aspects. Take, for example, the coal industry of the Donetsk Region. It is highly cost-intensive, its natural resources are depleted, and capital investments in it are inadequate — over the last 25 years, there have been practically no capital investments there. The backwardness of the social sphere is also a heavy burden upon the coal-industry enterprises.

Regarding specific features of other regions, they are, to some extent, associated with the insufficiently developed infrastructure of the agro-industrial complex. To some extent, they are also connected with acute problems that industrial enterprises have to endure in connection with the loss of traditional markets for their products and sharp reduction of consumption inside the country. Such markets must be found, and consumption must be boosted.

I generally believe that the steps presently taken by our president and government enable us to assert with confidence that the disease has been diagnosed correctly and that the treatment has already started. It is now essential to administer this treatment.

[Krasnodemska] Ukraine is about to introduce its national currency. Are we ready for this? Besides, will it be a panacea against the crisis that has already tired out everybody and everything?

[Shpek] The government considers the question of implementing the monetary reform as one of the instruments in its economic policy. I reiterate — one of the instruments, because the introduction of a new currency cannot resolve all problems and cannot remove all those disproportions that are characteristic of a society. However, in combination with the policy of financial stabilization, lowering the rates of inflation and of the level of budget deficit concurrently with the implementation of reforms in the system of remuneration for labor and pension provision, the use of this instrument will be a positive and dynamic means of implementing the policy of economic reforms.

We know how little remuneration for labor accounts for the price structure or for the structure of the product's prime cost. This narrows down demand on the domestic market considerably. However, when resolving this problem, we will also directly speak about everybody's contribution. It is impossible to raise wages unless the efficiency of production grows. At the same time, I

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realize that the efficiency of production cannot grow without appropriate material incentives.

Thus, the question of monetary reform is considered seriously and studied in governmental and banking circles; all indications of the readiness of the economy and society for it are taken into account, and all necessary measures are being planned that will, as it were, be put into effect prior to the reform and after the national currency is introduced.

Of course, expansion of the instruments for implementing the policy of economic reforms, intensification of structural changes and of investment processes, without which structural transformations or implementation of the industrial policy are impossible, will make it possible to lay a sound foundation for the future. We will have to rid ourselves of the old burden with which it is simply impossible to build a new society. There will be a mechanism for bankruptcy, and individual enterprises will be closed down, but at the same time, we will actively create new jobs with the state developing and promoting entrepreneurship and so on....

In general, I am an optimist. I sincerely believe that, owing to the strong will of our people and to the accord that, despite everything, prevails in Ukrainian society, we will be able to overcome all difficulties.

[Krasnodemska] Thank you for the interview and I wish you success!

[Shpek] Thank you.

Deputy Prime Minister Meets With Coal Miners

WS1008102195 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 9 — A working meeting between coal industry trade union leaders and local oblast committees and Anatoliy Kinakh, deputy prime minister for industrial policy, discussed measures being attempted to stabilize Ukraine's troubled coal industry.

Kinakh updated miners about measures for improving the industry and acquainted them with government decisions ordering some oblasts and ministries to pay back bills for the coal they have already received.

The deputy prime minister also discussed plans for the creation of a stabilization fund to assist the industry.

Coal Minister Viktor Poltavets also took part in the meeting.

Gasoline Prices Rise as Government Cuts Supply

WS1008102095 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[By Serhiy Sokolovskiy, "Special to IntelNews"]

[FBIS Transcribed Text] Kiev, Aug. 9 — Gasoline prices are taking a sharp leap as supplies lessen in the wake of a government decision to suspend purchases.

Depending on the octane, prices at Kiev pumps have increased by as much as 83 percent over the past two days, effectively doubling the price of local cab rides and threatening to send inflationary ripples throughout the economy.

Government officials are blaming the recent imposition by Russia of taxes against Ukrainian exports of the commodity, which they say forced Ukraine to retaliate in July with a 20 percent value-added tax.

Although the government stopped purchasing gasoline Aug. 3, market reaction has been delayed as Ukrainian state organizations such as KyivHorNefteProduct exhausted their reserves.

Presidential administration experts also blame the recent increases on an attempt by Parliament to impose a 15 percent revenue-raising gasoline tax.

Although President Leonid Kuchma vetoed the measure, businesses apparently decided to withhold supplies on the speculation that Parliament will revive it.

"Russia decided to liquidate Ukraine as a competitor on the oil market," presidential industrial policy adviser Volodymyr Ryzhov said Wednesday [9 August]. "Russia introduced unilateral export taxes amounting to ECU20 per ton of oil and ECU5 per ton of clear fractions of oil processing."

"Our plants couldn't compete with Russia in this situation," Ryzhov said. "I want to emphasize that we don't impose taxes for the oil itself. It was done to support Ukrainian oil processing enterprises."

According to Ryzhov, governmental structures intended to protect the Ukrainian market by creating fuel reserves, but Ukrainian consumers used the reserved fuel from July 7 to Aug. 3.

Another reason for the price increases is the deterioration of Ukraine's currency, which went from KBV145,000/USD Aug. 3 to KBV159,000/USD Aug. 9 on the Ukrainian Interbank Currency Exchange.

Meanwhile, prospects look good for further increases in gas prices, according to industry officials.

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"The quantity of gasoline that KyivHorNefteProduct will receive in the near future will not rescue the situation in capital", said Mykhailo Ilchenko, chief of the enterprise's resource department.

"The one way out is abolition of the VAT on oil products," he said. "At this point, Ukrainian enterprises are satisfying only 10 to 15 percent of the need."

Concern Over Aluminum Conglomerate Proposal

WS1008101995 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[By Serhiy Sokolovskiy, "Special to IntelNews"]

[FBIS Transcribed Text] Kiev, Aug. 9 — Ukraine's presidential administration has serious doubts over the plan of the Mykolayiv alumina plant to privatize and join a financial-industrial conglomerate with Russian firms, Volodymyr Ryzhov, administration industrial adviser, said Wednesday [9 August].

Officials are worried that control of the enterprise, which produces more than two thirds of the aluminum consumed in Ukraine, by Russian partners would jeopardize national security, Ryzhov told a Wednesday meeting of the Press Club for Market Reforms.

If the administration moves to block the formation of the conglomerate, it would be the first such move since President Leonid Kuchma issued his financial-industrial conglomerate decree earlier this year.

The formation of financial-industrial conglomerates, particularly with Russian enterprises, has been a centerpiece of Kuchma's economic doctrine since he campaigned for office last year. Nationalists, however, have opposed the policy on the grounds that it would infringe upon national economic independence.

Ukraine needs 330,000 tons of aluminum per year, Ryzhov said. While the Zaporizhzhya plant produces 100,000 tons of the metal each year, the remainder is purchased from Russia's Bratsk plant, which is in turn supplied by the Mykolayiv facility.

Ryzhov accused Russian enterprises, who, to effect the conglomerate, intend to swap shares with the Mykolayiv enterprise if it is privatized, of bad faith.

At this point, there are three strategic buyers of the Mykolayiv shares: Glenkur, Ayok and Trans-World Group. Russia's GazProm is also interested.

According to Ryzhov, Glenkur and Ayok are both competitors of the Russian Bratsk plant and intend to use the deal to wreck the competition from the inside.

"We are afraid to lose control of the Mykolayiv plant," he said. "The two companies are only interested in breaking the Mykolayiv-Bratsk chain." "Today we pay US$1,530 to US$1,580 for one ton of aluminum from Bratsk, while on the London metal exchange the price is US$1,810/ton," he said.

If the deal goes through, the administration is worried that the price would go as high as US$2,000 per ton, he said.

"Ukraine doesn't have a superfluous US$100 million," he said, adding that loss of the "aluminum will mean that Ukraine is no longer an industrial state."

Over 40 Percent of Population Active in Privatization

WS1008102395 Kiev INTELNEWS in English 2342 GMT 09 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 8 — The State Property Fund said Tuesday [8 August] more than 40 percent of the Ukrainian population joined the privatization process. About nine million Ukrainians received their privatization certificates and approximately the same number used their vouchers.

The eastern regions of Ukraine — Kharkov, Dniepropetrovsk, Luhansk, Zaporizhzhya, Crimea and Donetsk oblasts (the latter leads the process with 886,466 received certificates) — are the most active in retrieving their vouchers.

However, weighted by population, the rest of the oblasts are not behind, with a third of the people of Transcarpathia having received certificates. Residents of the west are not as active in privatization, with only 76,827 Ternopil residents participating.

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Belarus

Chyhir, Trade Union Head Hold Briefing on Agreement

WS1008102595 Minsk BELAPAN in English 0651 GMT 10 Aug 95

[FBIS Transcribed Text] The government and trade unions have reached an agreement on a number of principle problems. This was the assessment of longer than two-week negotiations given at the press conference on August 9 by Prime Minister Mikhail Chyhir and Head of the Federation of Trade Unions Uladzimir Hancharyk. According to Mr. Chyhir, the government had persuaded the unions that the economy may not endure another increase of wages (as is known, the last increase was made in March this year). So far, the prime minister informed, the average wage in the Republic amounts to 830,000 rubles or 70 US dollars. "The government would like to increase wages, but this should be done under the condition that productivity improves". He deemed as a positive result that the rate of growth of the average wage had been higher than that of inflation since the beginning of this year. At the same time, the premier said, the government is considering the possibility to increase wages of those workers who receive their wages from the budget. In particular, they plan to increase bonus payments by 10 percent. Money received as a result of implementation of president's decrees on pensions and privileges are also supposed to be used to pay higher wages to the budget-sector workers.

In his turn, Uladzimir Hancharyk informed the audience that the parties had come to the following conclusion: All debts totalling 90 million rubles should be paid to budget-sector workers within the next week. The draft Cabinet resolution on some measures to improve the financial standing of enterprises was given a high estimation by the participants in the press conference. One of the resolution's provisions stipulates 40 percent cuts of enterprises' payments into the budget which may increase their working capital.

Mikhail Chyhir stated that enterprises themselves do not do their best to improve work. The prime minister said as well that there are too many national holidays and enterprises waste billions of rubles then. A great number of Belarusian enterprises have profitable orders, he said, so everything depends on them. Representatives of the Cabinet and of trade unions decided to meet in September (or earlier if necessary) to discuss the implementation of the Cabinet's resolution. Mr. Chyhir said that if inspections show that money received due to the implementation of the resolution is misused, the document will be revoked. Those present at the conference were informed that in a day or two the concept of wages will be discussed at a sitting with participation of the president, which is mainly connected with the rise of tariffs for accommodation conveniences. The prime minister informed that a decree on pensions will be discussed in the president's presence. If pensioners' income exceeds six minimum wages they will receive only 50 percent of their pensions. As far as the liquidation of privileges is concerned, Mikhail Chyhir said that people will accept it only if this measure is carried out also in regard to high-ranking officials. He is convinced that privileges should be used only by war veterans and by some categories of the handicapped.

Experts Doubt Special Investment Funds Can Resume

WS0908123495 Minsk BELAPAN in English 1128 GMT 9 Aug 95

[FBIS Transcribed Text] As BELAPAN has already reported, the Government of the Republic of Belarus promised to fulfill the condition of the International Monetary Fund to resume operation of special investment funds (SIF) before August 15. The fulfillment of this condition will greatly influence the IMF decision to provide for Belarus the stand-by credit amounting to 250-300 million US dollars. Nevertheless, experts doubt that investment funds will be able to resume their activities. For example, Ihar Stanilevich, chairman of the Council of the Belarusian Association of Investment Funds, Companies and Banks, believes that after their four-month standing idle SIF may become financially unsound to resume operation. Moreover, numerous accusations of violations of the law have undermined the prestige of special investment funds and they will require a long time and substantial financial expenses for advertising to recreate their good name even if the president's decree to renew their licenses is signed in time — before August 15. According to Mr. Stanilevich, by allowing funds to resume their activities the government could make another logical step, that is publicly express support for those funds, which pledge to keep to the new and more strict order regulating their activities.

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Kazakhstan

Foreign Guests Arrive To Partake in Celebration

Russia's Deputy Prime Minister Arrives

LD1008085995 Almaty Kazakhstan Television Network in Russian 1400 GMT 9 Aug 95

[FBIS Translated Text] Prime Minister Akezhan Kazhegeldin today received Deputy Prime Minister of Russia Yuriy Yarov, the head of the Russian Federation delegation which has arrived in Kazakhstan for the ceremonies of the 150th anniversary of the birth of the writer Abay:

[Unidentified correspondent] This Russian delegation is the most representative of all the delegations which have arrived for the Abay celebrations. Let us noted, at least, the unforgettable festival of Eurasian countries, which took place at the opera house of Almaty.

At today's meeting, both sides noted with satisfaction that many issues between Kazakhstan and Russia are being tackled successfully. The prime minister of Kazakhstan noted that Russian capital is coming into our country in every way. The Russian oil company LUKoil, in cooperation with other foreign companies, is successfully developing Kazakhstan's phosphorus industry. Yuriy Yarov noted that there is a distinctive system of relations between the two sovereign states, although so far it exists only on paper. In fact, the present visit by the Russian deputy prime minister — and, by the way, he had meetings today at the Ministry of the Oil and Gas Industry — has itself been undertaken to fulfill decisions adopted by the presidents of Kazakhstan and Russia, Nursultan Nazarbayev and Boris Yeltsin, as Nursultan Abishevich constantly asserts.

Today they also talked about the draft constitution of Kazakhstan. Yuriy Yarov observed that Kazakhstan is ahead of Russia in some points of basic law. Although today's meeting was official, it felt like a meeting between two comrades who wanted to talk about many things. Let me add that the Russian deputy prime minister really looks good in the Kazakh chapan and kalpak [robe and hat].

The Russian deputy prime minister gave the following answer to a question from a KHABAR agency correspondent about his view of the investment protection guarantees contained in the draft Kazakh constitution:

[Begin Yarov recording] [Video shows Yarov putting on chapan and kalpak] First, to deal with land. This is the first thing written there: that if we want to invest any money, there has to be a guarantee — and a guarantee not only for that part of the property which is real estate and in which we have invested our capital, but for the land where these technical facilities are located. In this case, if I get the right of ownership of the land on which I am building this enterprise, I am now safe in the knowledge that everything I have invested cannot be subjected to review on the basis of the constitution. For the first time that has been defined by law in the constitution — the supreme law. That is why I think this is the most important point.

Second, let us talk about the equal opportunities granted here. According to the constitution, if we look carefully at it, it provides for the protection of all the conditions of citizens not only of Kazakhstan — there are specific areas where there is greater protection and there are more rights — but the constitution proclaims the right to protection of people and citizens. Bear this in mind: we are not talking just about citizens, but about people, including foreigners. People who come to your country can now calmly enjoy the guarantees granted to them by the constitution. They were proclaimed yesterday. Remember that it was not expressed clearly enough how it will operate. There are fewer declarations in this draft constitution.

Furthermore, I think you have noticed yourselves that there is something to talk about, when the provisions say... [changes thought] We are talking about the possibilities for any capital — we are talking about the possibilities. Today, we talked about the possibility that an enterprise need not be wholly owned, that we can exchange packages of shares in a property that has been created: your entrepreneurs in Russian enterprises and our entrepreneurs in yours. That way, capital starts to work jointly. The next step, as we know, is that when I have an interest in ensuring that you have better production — in other words, I have obtained more profit from my shares — then I shall probably not take all this capital back home straight away. I shall invest it here where conditions are favorable.

You have probably heard that my colleague — my respected friend, the prime minister — and I said that we must now take the next step, which is to ensure that deeds match our words. This means the establishment of conditions for investment guarantees, mutual protection, and, definitely, avoidance of double taxation. [end recording]

Ukrainian Officials Attend Meeting

LD0908134395 Kiev UNIAR in Ukrainian 0715 GMT 9 Aug 95

[FBIS Translated Excerpt] Almaty [no date as received] — Ukrainian Deputy Prime Minister Ivan Kuros and Acting Minister of Culture Mykhaylo Yakovyna have arrived in Almaty on the maiden flight of the Ukrainian

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airline Aerosvit to attend the celebrations of the 150th birthday anniversary of Abay, renowned Kazakh scholar and poet.

On the first day of the visit, Kuros and Ukraine's Ambassador to Kazakhstan Viktor Bohatyr met Kazakh First Deputy Prime Minister Vitaliy Mette and Economy Minister Altay Tileuberdin. The meeting analyzed progress in the implementation of various accords and finalized the main aspects of Ukrainian President Leonid Kuchma's forthcoming visit to that country. The sides also paid considerable attention to ways of extending relations in the humanitarian sphere and, in particular, in science, technology, and education. [passage omitted]

Tatar President, Iran's Velayati Arrive

LD0908180095 Almaty Kazakh Television First Program in Russian 1400 GMT 8 Aug 95

[FBIS Translated Text] On 8 August Kazakh President Nursultan Nazarbayev met the guests who have arrived to take part in the 150th anniversary celebration dedicated to poet Abay: Iranian Foreign Minister 'Ali Akbar Velayati and President of Tatarstan Mintimer Shaymiyev.

The Iranian foreign minister handed over to Nursultan Nazarbayev a written message from Iranian President Rafsanjani and an invitation to visit Iran at a time suitable for the leader of Kazakhstan. The president accepted with satisfaction.

Apart from that, Nursultan Nazarbayev and 'Ali Akbar Velayati discussed possible measures to assist in settling the conflicts in Tajikistan and Afghanistan. There was a discussion about Bosnia-Herzegovina as well.

Iran and Kazakhstan are successfully cooperating, and we intend to continue in this spirit, Mr. Velayati said. Talks are under way about the construction of roads and railways. As well as that, during talks with the Kazakh president we discussed Caspian cooperation. The main aim of my visit is to take part in the Abay anniversary celebration, which our delegation will do with gratitude.

The president of Tatarstan, Mintimer Shaymiyev, is also one of the high-ranking guests invited to the Abay anniversary. However, the talks between the two presidents touched upon the economic cooperation between our countries. The president of Tatarstan expressed his deep respect to the Kazakh leader, who has been able to start the revival of Kazakhstan's industry and curb inflation.

I consider, said Mintimer Shaymiyev, that Kazakhstan will be the first to achieve a breakthrough. As for us, the president of Tatarstan continued, we are going on our own path of development, which is different from the Russian one, and which is giving us good results.

Velayati Discusses Trade, Economic Issues

LD0908143495 Almaty Kazakh Television First Program Network in Russian 0300 GMT 9 Aug 95

[FBIS Translated Text] Talks took place today [as heard, 8 August] between Qasymzhomart Toqayev, the foreign minister of the Republic of Kazakhstan, and 'Ali Akbar Velayati, the foreign minister of the Islamic Republic of Iran.

It was noted at the meeting that Kazakhstan views the Islamic Republic of Iran as an important trade and economic partner. This stems not only from our considerable bilateral interests but also from both states' membership of the Economic Cooperation Organization, which is intended to become an effective regional economic organization in the future. The sides agreed that our countries could assist successfully in strengthening stability in the Asian region. Kazakhstan's foreign minister expressed gratitude to the Iranian leadership for its active support for President Nursultan Nazarbayev's initiative to call a conference on cooperation and confidence-building measures in Asia. Velayati briefed Toqayev on the accords achieved between the Tajik sides at the recent negotiations in Iran. Other topical issues in bilateral relations were also discussed during the meeting.

Azerbaijan President Discusses Caspian Sea

LD0908215995 Moscow INTERFAX in English 1841 GMT 9 Aug 95

[FBIS Transcribed Text] ALMATY, Aug 9 (INTERFAX) — Presidents Nursultan Nazarbayev of Kazakhstan and Geydar Aliyev of Azerbaijan discussed in Almaty Wednesday joint development of the Caspian Sea and other issues of bilateral cooperation.

The two countries' approaches to Caspian Sea issues have grown closer, Kazakh Foreign Minister Qasymzhomart Toqayev told INTERFAX.

He also said that Iran had demonstrated understanding on Kazakhstan's stand that the sea's legal status must be defined. Toqayev said that he recently explained his country's point of view on the issue to Vyacheslav Dolgov, Russian Ambassador to Kazakhstan. "We believe that Caspian states should work out the sea's legal status together," he said.

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Procurator's Office Reorganization Viewed

954F2994A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Aug 95 pp 1, 3

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Tamara Kaleyeva: "The Procurator Will Not Only Beef Up His Numbers—He Will Also Protect"]

[FBIS Translated Text] Lengthy debates on whether one and the same organization can conduct a criminal investigation and at the same time impartially oversee proper administration of the law have come to a logical end. The draft of the new Constitution of our state, like the biblical tale of God and Caesar, states unequivocally: Oversight is for the procuracy, and investigation is for the police. The mood of anticipating these new realities colored the expanded session of the general procuracy, with its traditional agenda of reporting on the results of the first half-year. Naturally, General Procurator Zh. Tuyakbayev concentrated first and foremost on achievements and problems in the sphere of oversight of legality.

There undoubtedly have been achievements, and they are inarguable: The rate of crime-solving and other parameters of the law enforcement organs' activities are better than last year. But, alas, the criminal world is not getting weaker, either. There are fewer apartment burglaries and robberies, but more premeditated murders and instances of grave bodily harm. On the whole, the dynamics are such that over the past five years crime in the republic has increased by 36 percent. This is if we judge by official statistics, which do not always precisely reflect reality. Procuracy organs recently audited the legality and completeness of record-keeping and crime registration. It turned out that for the sake of achieving better-looking indicators, law enforcement personnel engage in what in Soviet times went under the intimidating name of "eyewash." Probably the most glaring case was uncovered in Leninigorsk GOVD [city department of internal affairs] where in order to falsify initial records of crime-solving, the signatures of city and rayon procurators were forged. Overall, over the first half-year during the course of such audits procurators uncovered and registered almost 2,000 crimes.

It has long been known that a physician who no longer empathizes with the patient is a bad physician, regardless of what heights he may have achieved in his surgical skills. The same may be said about the law enforcement sphere. When concern for one's own professional well-being overshadows the responsibility for people's lives, a procurator no longer can be called a defender of the law.

Procurators issued 9,000 written instructions as part of its oversight to MVD [Ministry of Internal Affairs] investigative and inquiry organs. The figures are impressive, but can they make up for the suffering experience during unlawful detention by residents of Pavlodar and Kostanay Oblasts, where almost one in three people detained were released because no need was established for applying the measure to secure the appearance of the accused? Twenty-two persons were found not guilty by the courts in North Kazakhstan, Almaty, and Kostanay Oblasts—and seven of them had been kept in detention prior to the trial, that is, experienced the hardship of prison for no good reason. But here is another extreme: In the first quarter alone, procurators in the republic as a whole refused to issue arrest warrants for 654 people who had committed grave crimes. What kind of faith in the rule of law can one ask of the victims of these criminals?

In the eyes of ordinary people, procurators still remain mainly prosecutors, and the phrase "the prosecutor will add his share" still holds. But at the same time the role of the procurator as the protector of citizens' rights and freedoms is moving increasingly clearly to the forefront. Over the past four and a half years, more than 18,000 judiciary errors were corrected after procuratorial appeals. Just recently a whole layer of violations involving lengthy detention of persons who have found themselves in the judicial system have been uncovered. For instance, there are people in the Akmola UVD investigative detention facility [CI], arrested in 1992-1993 and still waiting for a court ruling on their cases. People wait for months for a copy of the sentence. A general procuracy inspection recently discovered 304 such convicts in the Karaganda Oblast CI and 130 in CI-1 in Almaty.

The transition to market relations has resulted in a sharp increase in civil and economic disputes. In this situation the general procurator defined new principles of work in this area as follows: "Our task today is to aggressively protect the state and its property, as well social, economic, and political rights of unprotected population strata, who cannot defend these rights on their own. Other legal entities should take care of themselves."

Zh. Tuyakbayev believes that court protection of labor, housing, and pension rights of citizens with many children, of the underage and the elderly, is still insufficient and cumbersome. The procuracy resolves these issues faster and, what is important, free of charge; also, people's confidence in the procurators' principled attitude and professionalism is growing. Here are some arguments to support this conclusion: Last year the courts considered about 2,000 cases of job reinstatement

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and about 3,000 cases of evictions; over the same period of time, the procuracy organs handled more than 10,000 complaints on the same subjects, and filed more than 100 suits for a total of 1 million tenge [T] in protection of the rights of socially vulnerable population strata. Over the first half-year alone, the procuracy considered complaints from 33,000 persons. One-quarter of these complaints turned out to be justified, and were followed by procuratorial action.

Market transformations made the procuracy face new realities in the area of protecting state interests, and at the same time presented it with new tasks: to ensure that private capital strictly fulfilled its economic obligations to society.

Priority currently is given to questions of complying with the legislation regarding denationalization and privatization of state property. In addition to material considerations, this also protects the very idea of a market from being discredited in the eyes of the population. And we have to say that compared to the courts, the procuracy gets high marks in this area. While over the first half-year people's courts and arbitration courts recovered for the state T14 million through suits involving violations of privatization rules, procuratorial action recovered T90 million. Oversight of foreign economic activities became more effective, as a result of which restitution in the amount of T130 million and $550,000 was recovered for the state, and 64 criminal cases initiated.

Only babies probably are unaware these days how meager the state treasury is. To be specific: By 1 July, undercollection on payments to the budget amounted to more than T20 billion. This translates into pensions and stipends not paid on time, hospitals without medicines.... As a result of unlawful decisions of the Cabinet of Ministers granting economic entities exemption from custom duties alone, the budget lost T5.87 billion. The procuracy can substantially change this situation. Just one audit of activities of the Kazakhstan Aue Zholdary national aviation company increased the state's revenue by T600 million, Overall, over the half-year procuratorial action recovered for the state T1.6 billion and $25 million. The amounts are impressive, but they could be greater if local procurators took a more principled approach. So far, however, one can see things like this: The management of Balkhashmed and Zhezkazgantsvetmet squander foreign currency any way they want, buy airplanes, expensive musical instruments, build prestigious mansions, while holding up workers' wages, and the Zhezkazgan Oblast procurator looks the other way. The Atyrau Oblast procuracy did not react in any way to violations in exports of petroleum products and squandering of foreign currency funds. Here, as well as in West Kazakhstan Oblast, it took the general procuracy's stepping in to put a stop to frivolous treatment of foreign currency legislation. There is practically no procuratorial oversight visible in the banking system, although the law is violated quite frequently in this sphere. The number of registered embezzlements through abuse of official position, theft, or speculation is growing with each passing year, but criminal proceedings on these facts are initiated only in six or seven out of 10 instances.

There are also quite a few violations in the issuance of legal acts of state authority and administration. Just a random audit by the general procuracy in several rayons of Akmola and Taldykorgan Oblasts discovered 140 unlawful legal acts that had been missed by the local procuracies. The general procurator believes that oversight of legality of legal acts should not only be considered a priority but also be conducted in anticipatory manner.

For many years, there was a common belief that the procuracy organs represented a concentration of the investigative elite. This opinion was based first of all on the fact that procuracy investigators handled the crimes that were especially grave and dangerous for the society, untangling which required top professional skills. The results of the first half of this year uphold this reputation. The crime-solving rate went up; considerably more criminal cases have been referred to the courts than over the first half of last year; there are considerably fewer cases exceeding the legally set time frame or returned for additional investigation, unlawful arrests, and other violations. Of course, we are a long way from perfection. And the situation with respect to contract murders is very alarming—their number is growing: Six of them occurred during the first half-year, and only three were solved. Organized crime, bribery, and corruption remain the "Achilles heel." To effectively fight these crimes, which are relatively new for the country, new methodologies and new work organization are needed. But now this will be handled by the Ministry of Internal Affairs, where investigative functions are being transferred.

The upcoming reorganization of the procuracy evokes psychological discomfort, even confusion among procuracy investigators. Where do these moods come from, State Counselor K. Suleymenov asked from the rostrum. The idea of separating investigative functions from the procuracy did not come about yesterday—it is built into the state program of legal reform. There should be no chaos and confusion in this area; all specialists, as before, will be doing their direct job. And time will certainly prove the expediency of such reorganization.

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In a month, if the Kazakhstani people approve the new constitution, the republic procuracy will begin to operate in a new mode.

Kyrgyzstan

Czech Arms Manufacturer Sells 'Tamara' Radar

MK0508145495 Moscow SEGODNYA in Russian 4 Aug 95 p 7

[Report from Prague by Vladimir Todres: "Adventures of the 'Tamara' Radar. Czech Gunsmiths Are Kept Afloat Thanks to Kyrgyz Military"]

[FBIS Translated Excerpt] The Czech Republic's best known defense enterprise that is nonetheless sinking in the new economic realities — NTT Pardubice — has suddenly had a bone thrown to it from whence it did not expect anything at all.

This plant in the provincial town of Pardubice is known for just one product — the "Tamara" radar, which, as experts say, can see everything, even U.S. state-of-the-art strategic "Stealth" bombers that are supposed to be "invisible." Over the past several years, however, the firm, which has been privatized by a group of retired senior officers and generals, has not sold a single "technological miracle" and has found itself on the verge of bankruptcy. The first radar in all these years was sold to Kyrgyzstan last week. [passage omitted]

This transaction earned the gunsmiths from Pardubice $17 million. It was kept secret until the last minute — only 10 days after the government approved the project for selling a radar to a foreign customer and information on that leaked in the press did the Czech Trade and Industry Ministry admit that the customer was Kyrgyzstan. Government sources point out that Kyrgyzstan is "trustworthy and, without doubt, the most democratic state in Central Asia," even if they have to add: "At the same time, this is the poorest country in the post-Soviet space." Sources at the Kyrgyz Defense Ministry would not deny or confirm (let alone comment on) reports about the transaction in a conversation with your SEGODNYA correspondent. Independent observers in Bishkek are also somewhat surprised by both the subject and sum of the transaction. All the aforementioned cannot but give rise to the theory that the radar may have been purchased in order to be resold later. [passage omitted]

Bishkek Prepares New Privatization Measures

LD0908210695 Bishkek Kyrgyz Radio First Program Network in Russian 1300 GMT 7 Aug 95

[FBIS Translated Text] Decree by the Kyrgyz president on making amendments to decrees of the Kyrgyz president.

In line with the law of the Kyrgyz Republic "On denationalization and privatization of state property," I decree:

1. The following should be deemed null and void from the moment of approval by the government of the Kyrgyz Republic:

I. Regulations on the terms and procedure of denationalization and privatization of state-owned facilities in the Kyrgyz Republic, and the decree of the Kyrgyz president on the procedure of implementing the regulations on the conditions and procedure of denationalization and privatization of state property in the Kyrgyz Republic of 14 June 1993.

II. The decrees of the Kyrgyz president on measures to improve the process of denationalization and privatization of state property of 11 March 1995.

2. The Kyrgyz Government is, within a month, to work out and approve regulations on the conditions and procedure of denationalization and privatization of state owned facilities in the Kyrgyz Republic.

3. This decree enters into force upon publication.

[Signed]Kyrgyz President Askar Akayev. Government House, Bishkek. 7 August 1995.

Paper Explains Dismissal of Transport Minister

LD0908153195 Bishkek VECHERNIY BISHKEK in Russian 2 Aug 95 p 1

[FBIS Translated Text] The government meeting at which Kyrgyz Transport Minister Madybek Oblesov and V. Zvekov [not further identified], the head of the Kyrgyz railways directorate, were stripped of their posts was, naturally, held without journalists. Only here is this natural, but governments do not get away with such tricks in the West: People know everything about their heroes. They will not get away with it here either, as we have nevertheless got hold of some information.

Before the issue was raised at the government meeting, the State Finance Inspectorate conducted a thorough check on the targeted use of funds allocated to the Ministry of Transport last year for the repair and maintenance of the highways. A total of 55.8 million soms was received for these purposes from the budget and 1 million through the State Committee for Emergencies. The Supreme Council approved an estimate for the Ministry of Transport, under which financing for last year was planned at 125 million soms. The total volume of work done was 91 million soms. There should have been enough money and some to spare. However, the Ministry of Transport financed a little more than half and left a debt of 37.6 million soms.

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At 64 sites in the system funds were used as the authorities pleased. Missing money and thefts of materials amounted to 2.3 million soms. The lion's share went on installing electric heating for the Avtodorozhnik preventive clinic, and commercial building organizations were overpaid 885,000 soms.

Criminal proceedings were instituted in April this year into the theft of budgetary funds on a particularly large scale. A preliminary investigation established that, on the order of Oblesov, the Kompleks self-financing firm exported from Kara-Balta and sold in Kyrgyzstan and Kazakhstan 1,000 tonnes of sugar for 4.9 million soms to settle a debt owed by the Bakay joint-stock company for the use of rail coaches. This money has still not been returned to the state and some of it has been stolen.

This was a "biggie," but a multitude of "tiddlers" were found as well. What is interesting is that at the government meeting some ministers praised the merits of their colleague so highly, and he himself was no slacker in this respect — the planes are still flying, and the trains and buses are still running — as if Oblesov were up for a government award. This did not help: The "excommunication" of the minister from his post took place, though his "voluntary" request to resign was taken into account. Zvekov, the head of the Kyrgyz railways directorate, also went at the same time — clearly, for scrupulously fulfilling the instructions of his immediate boss, or else so that the latter should not be lonely in his isolation. Now it is up to the president to approve the dismissals.

Tajikistan

Iran's Velayati Arrives, Comments on Visit

LD1008083495 Tehran IRNA in English 0714 GMT 10 Aug 95

["Velayati in Dushanbe for talks with Tajik officials" — IRNA headline]

[FBIS Transcribed Text] Tehran, Aug 10, IRNA — Foreign Minister 'Ali Akbar Velayati, heading a high ranking political, economic and cultural delegation, arrived here [as received] Wednesday night for an official visit at the invitation of his Tajik counterpart.

Velayati told IRNA here that his trip was aimed at overall expansion of bilateral relations as well as regional cooperation.

He underlined that the trend has been accelerated by the recent trip of Tajik President Imomali Rakhmanov to Iran.

The foreign minister further voiced Iran's readiness to help settlemnt of problems in Tajikistan.

Due to recent agreement reached between Rakhmanov and head of the Tajik opposition through peace-seeking efforts by the Islamic Republic of Iran, political observers attach great importance to Velayati's trip to Tajikistan for the restoration of peace and tranquility to the country and maintenance of regional stability and security.

Since independence of the former Soviet republics, Iran has been concerned for difficulties and crisis in those states and has spared no effort to remove obstacles for the settlement of peace there.

Nazarov, Velayati Hold Cooperation Talks

LD1008111095 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 10 Aug 95

[FBIS Translated Text] Our country's Foreign Minister ['Ali Akbar Velayati] held talks in Dushanbe today with the foreign minister of Tajikistan [Talbak Nazarov]. They discussed ways to implement the Tehran agreement, which was signed between the Tajik president [Emomali Rahmanov] and opposition leaders on 16 July. They also discussed political, economic, and cultural ties, and cooperation between Tehran and Dushanbe at the regional and international levels.

The foreign minister of Tajikistan praised the essential role played by the Islamic Republic of Iran in the signing of the Tehran agreement, and briefed Mr. Velayati on the latest developments linked to its signing.

Mr. Velayati described the agreement reached between the government of Tajikistan and the opposition during Mr. Rahmanov's visit to Tehran as the best agreement and the most suitable measure for the establishment of peace in this republic since the outbreak of the conflict. He said: This agreement brings hope to the Tajik nation and despondency to its enemies. Implementation of this agreement will pave the way for the nation's peace and progress. Mr. Velayati stressed the need to promote regional cooperation and for greater activity maong Economic Cooperation Organization.

UN Envoy Returns After Talks in Kabul

LD1008090495 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 8 Aug 95

[FBIS Translated Text] Ramiro Piriz-Ballon, the UN secretary-general's special envoy to Tajikistan, returned to Dushanbe today August after meeting with Tajik opposition leaders in Afghanistan. Answering a question from a KHOVAR news agency correspondent on how preparations for the next round of inter-Tajik talks are going, Ramiro Piriz-Ballon replied: I am satisfied

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with the first stage of consultations with the Tajik Government and with Tajik opposition leaders. During my short visit I believe that the Afghan Government has shown goodwill and is prepared to help to establish peace and calm as soon as possible.

After consultations with the leadership of the republic, the UN secretary-general's special envoy will return to Kabul on 10 August and continue his consultations with representatives of the Tajik opposition. He will meet with Sayed Abdullo Nuri, leader of the Islamic Movement of Tajikistan, who was not in Kabul for personal reasons and did not take part in the consultations.

Opposition, Government Criticize UN Mission Chairman

LD1008091095 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 10 Aug 95

[FBIS Translated Text] According to reports from the international information center of the Islamic Movement of Tajikistan, a meeting took place yesterday at the headquarters of the communist government between Ramiro Piriz-Ballon, the special envoy of the UN secretary general, and the members of the UN's joint commission monitoring the cease-fire in Tajikistan.

This meeting was hold at the initiative of the UN mission in Tajikistan and the opposition delegation in the joint commission. The results of three months' work by the cease-fire observation commission was the subject of discussion at the meeting.

Both the government side and the opposition side expressed dissatisfaction with the activity of Darko Silovic, chairman of the UN mission in Tajikistan. It was stressed that Darko Silovic does not himself make any effort to create ways to resolve the problem of Tajikistan and that, on the contrary, in many cases he takes incorrect decisions on particular issues. Piriz-Ballon listened to the delegations' complaints about Silovic and promised to report on the matter to UN Headquarters in New York.

It was also mentioned that the problem of exchange of POW's and political prisoners has not been resolved through the fault of the government.

During the meeting with the UN special envoy responsible for Tajikistan's affairs, the opposition side noted that lately the joint commission has received a complaint about the arrest of 56 opposition supporters by employees of the regime's power ministries [Defense, Interior, and Security].

According to a report received from Dushanbe, Ramiro Piriz-Ballon will leave the capital of Tajikistan today for Kabul. In Kabul, the UN secretary general's special envoy will have meetings and talks with Tajik opposition leaders and will hold discussions on the continuation of the peace talks between the opposition and the regime as well as on the date and venue for the talks.

Opposition Leader on 'Positive' Talks in Uzbekistan

LD0908141195 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 9 Aug 95

[FBIS Translated Excerpt] Some days ago a Tajik opposition delegation, led by the chairman of the Tajik opposition delegation in the [inter-Tajik] talks, visited Uzbekistan by invitation of Islam Karimov, the president of the Republic of Uzbekistan. During this visit this delegation, which included Professor Muhammadsharif Himmatzoda, Otakhon Latifi, Davlat Usmon, and Jumaboy Niyozov, met Islam Karimov and had talks with him.

Prof. Haji Akbar Turajonzoda assessed the results of the aforementioned visit as positive. The first deputy leader of the Islamic Movement of Tajikistan speaking on Radio Liberty, said that the Uzbek bodies considered the Tajik opposition proposals to be just and acceptable. [passage omitted]

Government Gags Departmental Press Centers

MM0908132995 Moscow IZVESTIYA in Russian 8 Aug 95 p 1

[ITAR-TASS report: "Freedom of Press Is Being Restricted in Tajikistan"]

[FBIS Translated Text] As your ITAR-TASS correspondent has found out from trustworthy sources, a few days ago, an official letter arrived in all departmental press centers in Dushanbe, including in the press group of the collective peacekeeping forces and Russian border troops commands, bearing the signature of Makhmadsaid Ubaydulloyev, government first deputy prime minister, in which it is urgently recommended not to give any information to local or foreign correspondents. According to the letter, the president's press service is being given a monopoly in the circulation of information.

Turkmenistan

Foreign Minister Previews Talks With Russia's Bolshakov

LD1008055995 Moscow ITAR-TASS in English 0516 GMT 10 Aug 95

[By Ludmila Glazovskaya]

[FBIS Transcribed Text] ASHKHABAD, August 10 (ITAR-TASS) — A delegation of the Russian govern-

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ment led by Vice-Premier Aleksey Bolshakov is arriving in Turkmenistan today. Turkmen Foreign Minister Boris Shikhmuradov told Tass that in accordance with the practice of previous years at the forthcoming Russo-Turkmen talks the sides are expected to hold consultations in the framework of bilateral cooperation which was given a new impetus after an official visit to Moscow by president Saparmurat Niyazov. Three months which passed since then are a sufficient period of time to clarify positions and make the necessary corrections, Shikhmuradov said.

One of the main issues on the agenda of the forthcoming talks is the problem of the Caspian sea. The Turkmen Foreign Minister said that Turkmenistan's position presupposes the equality of the interests of all Caspian states and the inadmissibility of adopting unilateral decisions which might destabilize relations between partner states or run contrary to their interests.

Shikhmuradov pointed out that Turkmenistan's and Russia's positions on this problem coincide and that the task at present is to take practical steps and make recommendations of a constructive character from both sides.

Foreign Minister, Iranian Ambassador Discuss Relations

LD0908140195 Tehran IRNA in English 1210 GMT 9 Aug 95

[FBIS Transcribed Text] Moscow, Aug 9, IRNA — The Turkmen minister of foreign affairs, has said that it is not possible to make use of Caspian Sea resources unless a legal regime is formulated for the world's largest inland sea.

Boris Shikhmuradov, the deputy prime minister and the minister for foreign affairs of Turkmenistan, in a meeting on Tuesday with the Iranian Ambassador Gholam Reza Baqeri, discussed relations between the two countries as well as the problems concerning Caspian Sea.

Shikhmuradov also confirmed his country's decision concerning a gas pipe line for transferring gas from Turkmenistan to Europe via Iran.

In a separate meeting on Tuesday between Iranian ambassador and the deputy prime minister of Turkmenistan, such issues as the forthcoming visit to Ashgabat by Iranian Minister of Road and Transportation Akbar Torkan was discussed.

Durig his visit, Torkan is to confer with the president and other senior officials of Turkmenistan on ways of expanding mutual cooperation.

Uzbekistan

Prime Minister Receives Swiss Foreign Minister

LD0908124795 Tashkent Radio Tashkent Network in Uzbek 0600 GMT 9 Aug 95

[FBIS Translated Text] Prime Minister Abdulkhasim Mutalov of Uzbekistan yesterday met with Flavio Cotti, head of the Federal Department of Foreign Affairs of Switzerland, who was on an official visit to our country.

The further development of relations between Uzbekistan and Switzerland and international and regional issues were discussed at the meeting.

Paul Vipley, ambassador extraordinary and plenipotentiary of the Swiss Confederation to Uzbekistan, took part.

Cotti: Tashkent Entering World Community

LD0908174595 Moscow ITAR-TASS in English 1725 GMT 9 Aug 95

[By Vilor Niyazmatov]

[FBIS Transcribed Text] TASHKENT, August 9 (ITAR-TASS) — Head of Switzerland's Federal Department of Foreign Affairs Flavio Cotti said before leaving Uzbekistan that the Central Asian republic was speedily entering the international community to occupy a worthy place in the world. The official also appraised the local policy of improving the state power system and its institutions and said Switzerland and Uzbekistan had good prospects for the development of bilateral relations.

Cotti spent one day here to acquaint himself with the political and economic situation in the country and discuss relations between the two countries within the frames of the Organisation for Security and Cooperation in Europe.

During the visit, Cotti met the premier and the speaker of the republic's parliament.

Il-76MF Transport Plane Profiled

MM0808182595 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 2 Aug 95

[From the "Vremya" newscast: Video report from Tashkent Aviation Production Association named for Chkalov on test flight of Il-76MF by Sergey Slipchenko, identified by caption]

[FBIS Translated Text] [Slipchenko against backdrop of Il-76MF on tarmac and taking off] At first glance this

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Il-76MF looks just like the Il-76TD standing on the tarmac here, which we are so used to. However, according to the general designer, this is a thoroughgoing modification of the old machine.

In many countries of the world airports are located close to city centers, yet thanks to Western aircraft engines, aircraft noise cannot be heard.

During the first take-off of this aircraft we were standing practically on the runway, yet we were not deafened. The most important point is that the new Perm engines — the PS-90A — are in line with all international noise regulations, which means that this aircraft can land in any airport in the world.

Around 930 various modifications of Il-76 aircraft have been built in Tashkent. Most of them were part of military orders. [video shows aircraft lined up on tarmac, some covered with tarpaulin] However, the new machine called for a new ideology from its creators.

[G. Novozhilov, Ilyushin general designer, identified by caption] The payload of the Il-76 aircraft which you see in quantity lined up here on the tarmac was determined by the possibility of having to transport tanks. This meant that the hold was relatively small.

[Slipchenko] Naturally, any sort of freight — containers, food, medicines — weighs less than a tank but requires more space. For the purpose of conveying civilian freight the fuselage has been lengthened by more than 6.5 meters, the range of the aircraft has been extended, and maximum payload has been increased by two tonnes. So why has the name not been changed? Because during the certification of a new aircraft requirements met on old ones are taken into account. According to Vasiliy Zhuravlev, director of the Tashkent plant, certification of the new aircraft should take place at the beginning of 1997.

The stocks for the second and third Il-76FM aircraft have already been erected at the plant. However, these aircraft will not be built by the plant alone, they will be built by the Ilyushin Financial and Industrial Group, which was established only four days ago.

[Novozhilov] This is a question of joint use of superb high-tech facilities. There are only about five plants like the Tashkent Chkalov Aviation Production Association in the world. This is no joke.

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Armenia

President, Turkish Envoy Discuss Karabakh Issue

NC1008045395 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 9 Aug 95

[FBIS Translated Text] Today President Levon Ter-Petrosyan received Ayhan Kamel [name as heard], Turkey's ambassador in charge of the Nagorno-Karabakh problem and that country's representative at the OSCE Minsk Group, who is now in Yerevan. He is visiting Azerbaijan and Armenia for political consultations.

Armenian presidential press service reports that matters relating to bilateral ties and regional developments were examined during the conversation. Ayhan Kamel handed a message from Turkish President Suleyman Demirel to the Armenian president in which he stressed the importance of resolving the Nagorno-Karabakh problem, forging stability in Transcaucasia, and of economic cooperation.

President's chief adviser Zhirayr Liparityan was present at the meeting.

NDU Condemns Arrests of ARF Leader, 'Arabo' Members

NC0908173395 Yerevan SNARK in English 1303 GMT 9 Aug 95

[FBIS Transcribed Text] Yerevan, 9 August (SNARK) — National Democratic Union [NDU] condemned the arrest of Vahan Hovhanessyan, a leader of the Armenian Revolutionary Federation [ARF] (Dashnak), as well as members of 'Arabo' detachment. The statement was made at a press conference today by the NDU board member, Davit Vardanyan. Under pretension of fighting terrorism, he said, the authorities are trying to discredit ARF and provoke split of the Armenian diaspora. "We state that persecution of ARF stays in conflict with the national interests of Armenian people", said Vardanyan.

Speaking of arrest of 20 'Arabo' members, including the former MP, Manuel Yeghiazaryan, Mr. Vardanyan said: "I knew Yeghiazaryan well while working in the old Parliament, and I have no reasons to think he was involved in terrorist activity".

Azerbaijan

Aliyev Returns From Visit to Kazakhstan

NC0908171395 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 9 Aug 95

[FBIS Translated Text] As we already reported, jubilee celebrations were held in Almaty on the 150th anniversary of the distinguished Kazakh pedagogue and poet Aman Kumbayev. Azerbaijani President Geydar Aliyev visited Almaty to take part in these celebrations at the invitation of the president of Kazakhstan, Nursultan Nazarbayev. Besides taking part in the jubilee celebrations, our head of state also met and held talks with the leaders of various countries. We will be bringing you reports on this visit. For now, we would like to inform you that the Azerbaijani president concluded his visit and returned to our republic today.

Gasanov Calls For Liberation of Shusha, Lachin

LD0908211195 Moscow INTERFAX in English 1841 GMT 9 Aug 95

[FBIS Transcribed Text] BAKU, Aug 9 (INTERFAX) — Azerbaijani Foreign Minister Gasan Gasanov is convinced that return of the Shusha and Lachin districts, occupied by the Armenians, is of key importance for success in talks on a peace settlements in Nagorno-Karabakh.

Gasanov told INTERFAX Wednesday [9 August] that as long as these strategic Azerbaijani towns are occupied by the Armenian army, the military conflict cannot be regarded as resolved. If this issue were settled the negotiating process would be accelerated, he emphasized.

Gasanov believes that unwillingness on the part of certain members of the OSCE [Organization for Security and Cooperation in Europe] Minsk Group on Nagorno-Karabakh to discuss this issue can undermine confidence in the group.

Gasanov told the Turkish representative in the OSCE Minsk conference-mediated talks on Nagorno-Karabakh, whom he received Tuesday, that as certain members of the Minsk Group tried to sidestep discussion of the return of Shusha and Lachin to Azerbaijani jurisdiction, the group loses sight of its purpose.

PFA Representatives Meet With U.S. Ambassador

NC0908180795 Baku TURAN in English 1154 GMT 9 Aug 95

[FBIS Transcribed Text] Baku/09.08.95/TURAN — Today the PFA [People's Front of Azerbaijan] representatives met with the U.S. Ambassador, Richard Kauzlarich. The issues concerning the forthcoming Parliamentary elections have been discussed during the meeting.

The Deputy PFA Chairman for Political Affairs, Ali Kerimov, said presently Azerbaijan is on the stage of serious struggle for democratisation of society. However, the processes taking place in the republic reduce the possibility of democratic elections. The law on Parliamentary elections is not adopted yet. Moreover, the

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PFA and 10 more political parties are yet to be registered.

The "Round Table" of political parties issued the statement, in which it said if non-democratic law on elections is adopted, the "Round Table" will boycott the elections.

Ali Kerimov thanked Mr. Kauzlarich for the statement of the U.S. Department of State, which expressed the concern over refusal of the Ministry of Justice to register the Popular Front Party.

The Ambassador Richard Kauzlarich expressed hope the elections in Azerbaijan will be free and fair and America, at least, will try to secure the democratic process of elections. The American Ambassador mentioned the Parliamentary elections will be assessed not only on one day of elections, but on the whole pre-election process. Mr. Kauzlarich said though Parliamentary elections in Belarus and Armenia were free, they were considered to be unfair, since not all political parties were given equal chances for participation in the pre-election campaign.

Mr. Kauzlarich acknowledged the American Department issued the statement due to the refusal to register the PFA. However, the Ambassador thinks, the boycott of elections is not the best way out. He expressed the opinion, the opposition must not hurry to adopt the resolution. The refusal to participate in elections will not favour development of democracy in the republic.

Caspian News Agency Seen as Russian Dominance Bid

NC0908175295 Baku TURAN in English 1154 GMT 9 Aug 95

[FBIS Transcribed Text] Baku/09.08.95/TURAN — At the initiation of ITAR-TASS and IRNA, the charter for the Association of Caspian News Agencies (ACNA), with exception of representative of Azeri agency AZERTAC, was signed in Chalous, Iran, on 7 August, ITAR-TASS reported the same day.

The grouping aims at strengthening the position of member agencies in world and regional markets and countering "unilateral and unbalanced information." It also seeks to expand the exchange of information in order to promote multilateral relations between the five states in the region.

Agencies participating in ACNA include ITAR-TASS, IRNA, KAZTAG, and TURKMEN PRESS; it appears Azerbaijan's Azeri Agency "backs the decision" of the other agencies but has refused to formally sign the charter. The ACNA's establishment is another indication of Russia's quest, backed by Iran, for preeminence in all Caspian-related issues and to turn any regional grouping into a vehicle for pursuing other foreign politico-economic objectives. Azerbaijan's hopes of bypassing Russia and exporting its Caspian oil via alternative routes explains its reluctance to sign the ANCA's charter.

Bank Reports Balance of Payments Status

954F3001A Baku GUNAY in Russian 3 Aug 95 p 3

[Article by Khafiz Bekirolgu: "Azerbaijan's 1994 Balance of Payments Approved"]

[FBIS Translated Text] The Board of the National Bank of Azerbaijan approved the balance of payments (PB) for the year 1994. As was reported by Rauf Mikailzade, the chief of the balance of payments section of the department for the regulation of the currency of the National Bank, the PB was formed in three variants in accordance with three sources of information, representing: 1) bank statistical data; 2) bank and other official information; 3) official and not officially registered data. The last balance of payments variant talks in more detail about the economic relations of juridical and physical persons of Azerbaijan with foreign residents.

The current PB operations account section includes the foreign trade balance, and also the transport and spheres of service balance. The cited indices of the volume of foreign trade goods turnover differ substantially from the corresponding figures of the State Statistical Committee of the Azerbaijan Republic, which was a consequence of the fact that the PB did not take into account data on the foreign shuttle trade of our citizens, and also material humanitarian assistance that is being given to our republic.

Last year the participation of the citizens of the republic in foreign trade amounted to a volume of $100 million, while the amount of humanitarian assistance was $50 million. On the whole, turnover in 1994 amounted to $1.5 billion.

Last year the juridical persons of our republic rendered services to their foreign partners in the sum of $130 million. But foreign firms rendered Azerbaijani enterprises services for $240 million.

Half of the services rendered to citizens of Azerbaijan was due to the sphere of tourism and amounted to $120 million, while the cost of the rendered services to foreign tourists in Azerbaijan was less than this sum by a factor of four.

Transport services in our republic were rendered for $100 million. Owing to the lag in the export capabilities of our country with respect to imports, the cost of transport services rendered by republican organizations

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to their foreign partners amounts to only two-thirds of the indicated figure.

In the words of R. Mikailzade, information was gathered in the PB section relating to the movement of capital and financial turnover that has a bearing on the flow of foreign capital into and out of the country. In 1994 resources in the sum of $150 million came into the country in the form of investments, deposits, and credits, while $55 million was taken out of Azerbaijan owing to deposit investments of commercial banks of the republic in foreign bank accounts.

The monetary reserves of the republic in 1994 amounted to $115 million. This figure grew owing to the granting of $46 million in 1995 by the IMF to stabilize the manat and the $60 million paid by the Oil Consortium.

R. Mikailzade also reported about the completion of a draft of the balance of payments of the republic for the first quarter of 1995 and its submission for approval to the board of the National Bank. Figures were used in the elaboration of the PB concerning the participation in foreign economic relations by more than 5,000 juridical persons in Azerbaijan, and also information on more than 100 commercial banks and about 100 operating joint enterprises that have licenses to conduct monetary operations, and about 80 representatives of foreign firms and more than 20 foreign humanitarian organizations.

Georgia

Shevardnadze Says Referendum on Constitution Necessary

LD0908123895 Tbilisi SAKINFORM in Russian 1027 GMT 9 Aug 95

[FBIS Translated Text] [No dateline as received] — Eduard Shevardnadze, addressing a parliament session on 8 August, admitted that parliament would not be able to adopt the draft constitution at the current extraordinary session and that the draft constitution would have to be put to referendum. I have no doubts, Shevardnadze said, that the majority of the population of Georgia (over 80 percent) will vote for a presidential rule. Shevardnadze thinks that over the last few years people have grown tired of the reigning lawlessness in the country, the solution to which they see only in reinforcing power.

Parliament Favors Presidency in Vote on Constitution

LD0908211595 Moscow INTERFAX in English 1841 GMT 9 Aug 95

[FBIS Transcribed Text] Tbilisi, Aug 9 (INTERFAX) — The Georgian parliament held two rounds of a "rating vote" at its evening sitting today and supported article 66 of the new Georgian constitution which puts the president as the head of state and executive power.

A total of 154 deputies voted for this article which sufficed for it to pass.

"By adopting this key article of the constitution the parliament in fact voted in favor of introducing a presidency in Georgia," Georgian Parliament Deputy Chairman Vakhtang Rcheulishvili told INTERFAX in an interview. He said he believed there would not be any excesses during further discussion of the constitution's articles. He said the constitution was likely to be adopted by the parliament rather than requiring a referendum to be held.

Opposition leader, Republican Party member, deputy Tedo Paatashvili, who also voted for introducing the presidency, said this article had been endorsed with stipulations. He said if consensus was not reached on other articles regarding the president, this article would be considered as invalid.

Paatashvili said the opposition had many objections to other articles in the constitution, in particular on the proposed posts of vice president and state secretary, who would in a veiled form perform the prime minister's functions.

Under the earlier-adopted resolution, the parliament is to wind up discussion of the new constitution on August 10. However, this term may be extended.

Russia Tags R20 Billion To Restore Power Transmitter

LD0908130195 Tbilisi SAKINFORM in Russian 1027 GMT 9 Aug 95

[FBIS Translated Text] [No dateline as received] — The leadership of the Russian Federation has earmarked 20 billion rubles [R] for the restoration of a high voltage power transmitter, Kavkasioni, linking the power system of Georgia with that of Russia.

On completion of the restoration of the transmitter, Georgia will receive 300 megawatts of energy from Russia each day, which will be considerably cheaper than that received from Azerbaijan.

It is expected that the restoration work will be completed before the winter cold sets in.

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Estonia

Defense Chief on 'Cooperative Nugget' Exercise

WS0908141195 Tallinn BNS in English 1152 GMT 9 Aug 95

[FBIS Transcribed Text] Fort Polk, Louisiana, Aug 9, BNS — Cooperative Nugget '95, a NATO exercise in the framework of the Partnership for Peace program, was launched Tuesday [8 August] at the Joint Readiness Training Center in western Louisiana. Participants include 32 Estonian soldiers and nine officers.

Estonian Defense Forces Commander Lt. Gen. Aleksander Einseln, who attended the opening ceremony, told correspondents of the BALTIC NEWS SERVICE and the Estonian Radio that participation in the exercise is an important step on Estonia's path toward membership in the alliance.

"If we didn't take part in this exercise we wouldn't be able to open the door to NATO," Einseln emphasized. "The door to NATO is at present closed, but not locked. Estonia itself must open it."

The exercise on North American soil is the second NATO training this year with Estonian military personnel present. In June, an Estonian minesweeper took part in NATO maneuvers in the Baltic Sea.

Estonia is planning to participate in two more NATO exercises this year, Einseln said.

The general noted that the training in the United States is good for Estonian soldiers, as it is conducted in accordance with NATO programs and methods. "If we want to get into NATO, we must learn to conduct ourselves as NATO does," he said.

The aim of the exercise is to practice peacekeeping and humanitarian relief tactics and techniques. Participants will be placed in realistic situations in four fictional warring countries.

The closing ceremony is set for Aug. 26.

Smuggled Radium Possibly of Russian Origin

MK0908135895 Moscow KOMMERSANT-DAILY in Russian 9 Aug 95 p 15

[Report by Aleksey Toom: "Dangerous Goods Were To Be Taken to Finland"]

[FBIS Translated Text] The Estonian Security Police have brought an official accusation against two Estonian citizens caught last week with a good deal of radium-226 produced, according to investigators, at a Russian military plant. Experts estimate that the total cost of 500 ampules of this radioactive material (1.72 kilograms) is about $10 million.

Security Police Press Secretary Helle Sagris told your KOMMERSANT-DAILY correspondent that the two-month operation carried out jointly with Interpol ended in the arrest of two Estonian citizens — the owner of a joint-stock company in Tartu, and a civil servant at the State Waterways Department. They were going to sell the radium-226 to an unknown person in Finland. The arrested lawbreakers, who most likely were mere couriers, said that the radium isotope got to Estonia from Kazan via middlemen in St. Petersburg and was to be sold for about $3 million.

Investigators are not satisfied, however, with the testimony given by the arrested persons: It is hard to believe that the sellers, having goods worth millions of dollars, did not know exactly to whom and when they were to deliver it.

Latvia

Norwegian Defense Minister Kosmo Arrives

WS0908141395 Riga LETA in English 1150 GMT 9 Aug 95

[FBIS Transcribed Text] Riga, August 9 LETA — The Minister of Defense of Norway, Jorgen Kosmo, arrived in Latvia today on an official visit. During the visit Mr. Kosmo will meet with the Prime Minister and acting Minister of Defense of Latvia, Maris Gailis, and the Chairman of the Saeima/parliament of Latvia, Anatolijs Gorbunovs.

The Norwegian Minister of Defense will visit the training base of the Baltic Battalion in Adazi and sign a Norway-Latvia agreement on closer contacts and cooperation in the area of defense. At 12:40 p.m. Prime Minister Maris Gailis and Norway's Defense Minister Jorgen Kosmo hold a press conference.

Defense Cooperation Agreement Signed

LD0908142495 Riga Radio Riga Network in Latvian 1200 GMT 9 Aug 95

[FBIS Translated Text] Maris Gailis, the Latvian prime minister and [acting] defense minister, and Jorgen Kosmo, the defense minister of the Kingdom of Norway today signed an agreement on contacts and cooperation in the defense sphere.

Earlier, the Latvian Armed Forces had received from Norway a gift of 800 soldiers' kits and one coast guard ship. The Baltic peacekeeping battalion received a gift of four jeeps.

Kosmo said that a study would be completed soon on the possibility of increasing the number of NATO countries. For the time being Latvia has to use all the opportunities

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arising from its participation in the Partnership for Peace program. The guest stressed that an institution had to be set up that would be able to ensure security for the whole of Europe rather than divide it into separate blocs.

Norway is one of the 16 NATO countries and Norwegian troops are currently taking part in peacekeeping operations in Lebanon and former Yugoslavia.

Gailis stressed that Latvia hoped to join the NATO bloc. Kosmo expressed the hope that the saeima would resolve to send Latvian troops to Croatia as part of the peacekeeping forces, because then it would be possible to assess the readiness of the Latvian military structures for international operations.

Kosmo on Role in Peacekeeping, NATO

LD0908144395 Riga Radio Riga Network in Latvian 1300 GMT 9 Aug 95

[FBIS Translated Text] Latvian Prime Minister Maris Gailis and Norwegian Defense Minister Joergen Kosmo signed a cooperation agreement in the defense sphere between Latvia and Norway at the Ministry of Defense today. After the signing of the document, the two ministers held a news conference.

[Begin Kosmo recording, in English with superimposed Latvian translation] I know that keen discussions on whether Latvia should get involved in former Yugoslavia as part of the UN peacekeeping forces are currently taking place in your country. Since the Baltic peacekeeping battalion has been set up, Latvia as a prospective member of the European Union, in my opinion, has the duty to carry out this mission. Norway is also a small country, however, in the last 25 years about 50,000 Norwegian troops served in several warring countries as part of the UN forces, helping preserve stability there. We have been in Lebanon, Somalia, and Bosnia; we have been in Angola and Iraq as observers. But we have made the largest contribution in Yugoslavia.

Speaking of NATO restructuring, it has to be said that it must take place in the future, whether it is wanted or not, because the political situation in Europe has changed and our forces have to be united — involving the Baltic states as well — to guarantee peace for all the European countries. The European Union, the Western European Union, and the NATO alliance are starting points for this new restructuring. I think (?that I also said) in the Saeima today that as far as this cooperation is concerned, it is most important for your country to concentrate on the implementation of the NATO Partnership for Peace program. When studies are completed within the NATO organization itself, which will make the new changes clear, when the studies are discussed between both the NATO countries and partner countries, then we will be able to speak more specifically about these things. It is hoped that Latvia will become a full NATO member, but we cannot know yet whether this will happen soon. [end recording]

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